



Food & Beverage B2B Report: How to future-proof business with headless commerce

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Executive Summary

Many industries are facing challenges as the world emerges from the pandemic, but one of the hardest hit is the B2B food and beverage (F&B) industry.

The pandemic was challenging enough, as entertainment and leisure venues were shut down, and supply chains struggled to ensure ingredients and completed orders got to the right place at the right time. Unfortunately, the aftermath brings even more significant headwinds as geopolitical uncertainty, sanctions and war in Ukraine have led to shortfalls in food production and skyrocketing energy prices.

Supply chain issues still plague the F&B industry, particularly since the extra border checks and controls brought in by Brexit. Skill shortages and double-digit inflation pose additional challenges across the UK and EU. It is clear that this industry, as it heavily relies on sourcing materials from around the world, processing or bottling them and then shipping them globally, is facing multiple complex issues.

Indeed, according to a [survey](#) published by the Office of National Statistics in the UK in the Spring of 2022, 60% of F&B companies reported being adversely affected by rising energy prices – nearly twice the national average among businesses. The sector was hit twice as hard, as average firms have to contend with increased transport costs, red tape and higher import prices.



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UK OFFICE OF NATIONAL STATISTICS

The EU's statistics organization, [Eurostat](#), published figures in the summer of 2022 shortly before the EU average inflation rate hit 10%, showing that rising energy prices and their impact on producing and transporting food and beverages are the two most significant contributors to rising costs in the region.

Therefore, to remain competitive in this challenging landscape, B2B merchants in the F&B space must become more operationally efficient and win new business – and that's where modern commerce comes in. Unfortunately, B2B players often rely on inflexible, antiquated commerce platforms that prevent them from elevating online shopping to meet today's customer needs across B2B markets.

In this guide, we explore how B2B companies in F&B with an existing eCommerce footprint can break free from these legacy technologies that hold them back. We also discuss how newcomers to B2B eCommerce can get a jumpstart on their competition with modern tools from the outset.

Key takeaways



Expert market overview: Analysis of how market factors, world events and historic barriers have led to unprecedented challenges for the B2B F&B industry.



Assessment of tech stack investment: Insight into why yesterday's platforms are ill-equipped to meet the rising eCommerce challenges.



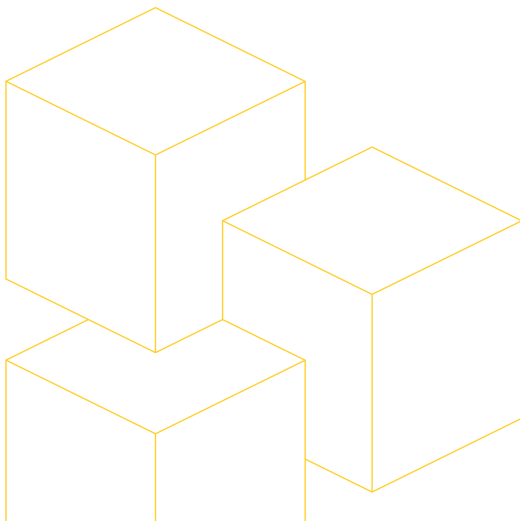
Modern buyers' needs: Details of why B2B eCommerce often fails to meet buyers' expectations and an introduction to the features that will remedy this.



Next-generation technologies: An overview of how businesses can move away from legacy systems to embrace a microservice-based and headless approach that empowers companies to build compelling services with the agility and flexibility to meet changing buyer expectations.



Real-life success: Find out how leading companies use the latest eCommerce technology to win new customers and increase sales.



Historic barriers to eCommerce excellence

B2B food and beverage businesses can do nothing about the geopolitical events behind rising inflation rates. However, they can make a huge difference by ensuring their organization is as flexible and agile as possible to tackle today's challenges, as well as future-proofing themselves from hurdles that will inevitably arise further down the road.

The main steps companies can take in this direction are cutting costs and boosting efficiency through streamlining and digitizing operations. By moving away from a crowded room of admin people dealing with piles of paperwork, businesses can digitally transform and give themselves an automated, single view of operations – from sourcing ingredients to taking orders to logistics and discovering new business opportunities.

The issue for the industry is that very few are prepared. According to Howard Doberman, Global Operations Transformation Leader at Deloitte, it is not necessarily a fault in strategy or a failure to prepare, but rather, entrenched in how the low-margin sector has grown over the past few decades.

“As an industry, companies are in deep need of modernizing, but they tend to be woefully underinvested in technology,” he said.



F&B B2B and B2C alike businesses work to slim margins and don't generate enough earnings to provide reinvestment back in the business. However, B2B hasn't made the big investments into modern commerce. So, unlike B2C, these B2B organizations are battling legacy architecture, a mishmash of processes that hamper attempts to drive profitable growth.

HOWARD DOBERMAN, GLOBAL OPERATIONS TRANSFORMATION LEADER, DELOITTE

This is further compounded by how businesses in the digital commerce industry have traditionally grown through acquisition without investing in cross-company IT systems. “A lot of these organizations have bolted on many other organizations, so you can imagine the complexity of systems,” he adds.

“They're often federalized organizations that are silo-based. They haven't imposed a consistent technology architecture, digital or eCommerce architecture across the organization. So, they need to be clear on the right platforms and systems. And I think they're only just grappling with what being digital means.”

“

With ever-faster market conditions and changing customer expectations, using a modern blueprint founded on headless commerce is something F&B companies in the B2B space can no longer ignore.

Nevertheless, there are clear benefits that are becoming more obvious to B2B companies within F&B. In addition, to improve efficiency and cost savings from workflow automation, organizations increasingly see an advantage in modern eCommerce systems. With a flexible, scalable and agile eCommerce engine orchestrating every commerce interaction, from promotions to

checkout and loyalty, B2B players can leverage any market opportunity at speed. With ever-faster market conditions and changing customer expectations, using a modern blueprint founded on headless commerce is something F&B companies in the B2B space can no longer ignore.

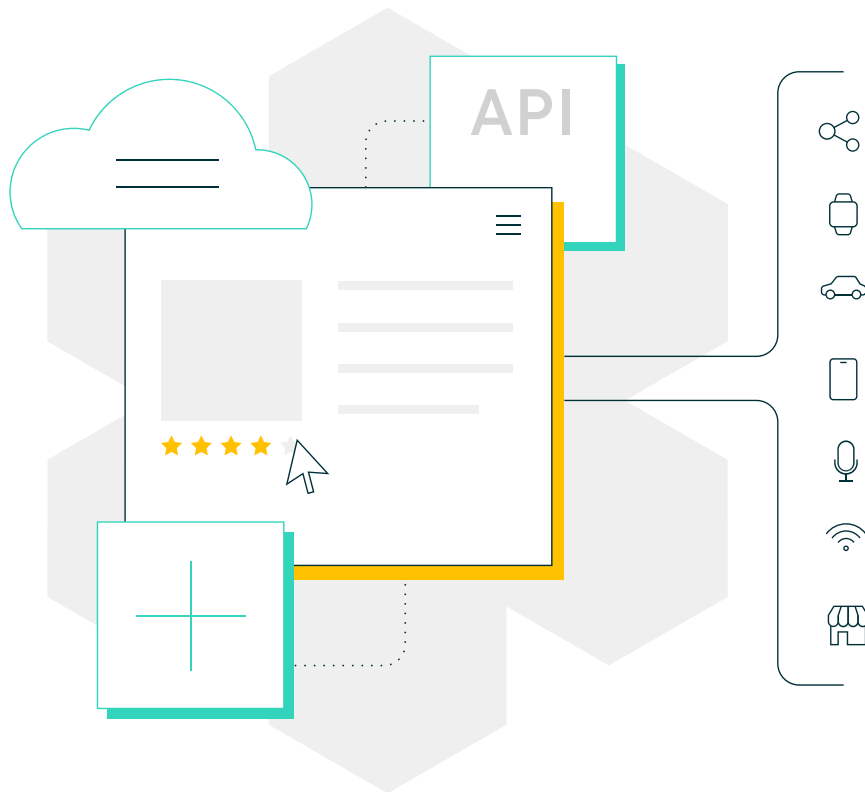


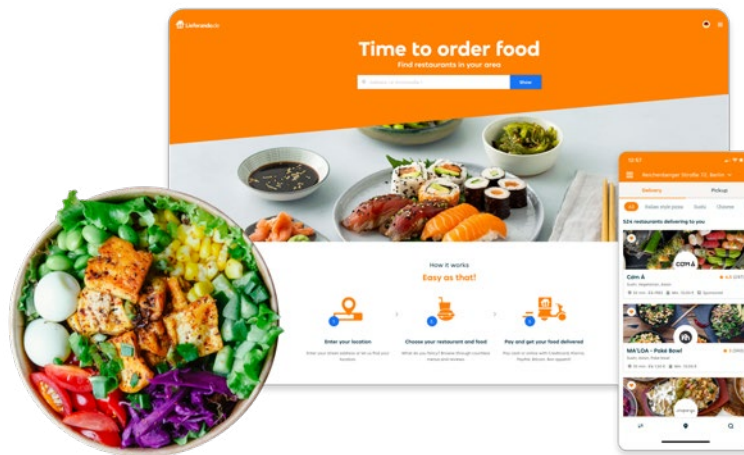
Figure 1: Headless Commerce

“A number of these organizations, particularly wholesalers, have adopted a D2C model through COVID to diversify their business, so that’s driving some impetus on digitizing and improving the customer experience,” Doberman adds. “These are small margin businesses dealing with the inflationary headwinds on supply chain and labor costs, so they have to find ways to drive efficiency and reduce the friction between them, suppliers and customers. They need to build bravery by dipping a toe in the water and improving systems to offer the kind of commerce tools others in B2C use.”

Case study: Just Eat speeds up its checkout process



Just Eat is best known for its B2C online food ordering service, but it also operates in the B2B marketplace for its restaurants to stock up on ingredients and other non-food items. The company knew its previous all-in-one platform was not user-friendly, so when the time came to upgrade, Just Eat decided to invest in headless eCommerce with commercetools.



+50K
SKUs

+75%
Online Sales

99.99%
Uptime

The decision enabled Just Eat to offer restaurants a speedy, seamless checkout experience. Agility and flexibility are also important because the company grows through working with new restaurants which need to be brought on to its flexible eCommerce system.

Within weeks of launching the new service, the business reported an increase in transaction rates by 70% and average order values immediately climbed by 20%. Read the full story [HERE](#).

Why B2B is playing catch-up with B2C

Most of the time, IT decisions opt for the least risky option when buying new systems, relying on well-known names in ERP, database solutions, and other SaaS. The trouble is that these are usually operational platforms not designed with eCommerce in mind. Alternatively, businesses have invested in all-in-one platforms designed for eCommerce, but they are too monolithic and prescriptive, preventing users from using best-in-class tools. Where it exists, eCommerce has often been an afterthought built around utility and convenience for the business rather than providing a delightful customer experience.



Despite nearly half (49%) of all B2B purchases being made online in 2021, less than two in three B2B companies (65%) currently sell online. A staggering 89% of users report it is harder to buy online than offline.

WUNDERMAN THOMPSON

Researchers at Wunderman Thompson [reveal](#) that despite nearly half (49%) of all B2B purchases being made online in 2021, less than two in three B2B companies (65%) currently sell online. Furthermore, even when they provide an eCommerce option, organizations frustrated just over half of its customers: A staggering 89% of users report it is harder to buy online than offline.

The result? In 2020 just 18% of B2B buyers switched suppliers, but last year the figure leapt to 53% as users prioritized online ordering, according to the Wunderman Thompson research.

According to Julia Rabkin, Senior B2B Product Expert at [commercetools](#), this is because even the businesses that have previously invested in eCommerce platforms are still falling behind. They were probably making sound decisions at the time, but now realize that the software they invested in needs to be more agile to flex with the market's changing needs. Many of the existing platforms achieved growth by acquisition - companies well-known outside of eCommerce bought eCommerce platforms as a bolt-on option, such as Oracle buying ATG.

When vendors without eCommerce as their key competence add online shopping options, there can be an inherent lack of flexibility and agility that prevents B2B companies from keeping up to pace with market developments and customer expectations.



Many F&B companies, maybe fifteen years or so ago, were progressive and signed up for these eCommerce monoliths, but they're now hitting their limits

JULIA RABKIN, SENIOR B2B PRODUCT EXPERT AT COMMERCETOOLS

“Many F&B companies, maybe fifteen years or so ago, were progressive and signed up for these eCommerce monoliths, but they're now hitting their limits,” she says. They're not

flexible enough. You only have to think about how much eCommerce has developed over the last decades. Then if you think about the changes that have been happening in the world over the last three to five years, the pace of acceleration will keep going further and further.

“F&B B2B businesses need to do more if they want to stay competitive and technologically advanced. If they don't realize that yet, they're going to very soon.”



B2B buyers are now more impatient with poor-performing eCommerce operations. With something as seemingly straightforward as finding product information and pricing, 48% of respondents reported experiencing problems often or always, with a further 40% reporting having issues sometimes.

DELOITTE RESEARCH

This is particularly important considering the research showed that a business' website is the number one favored resource to place orders and later re-order. It carries an even more ominous warning as the same research found that, behind poor quality products, the following reason buyers would 'strongly agree' as a reason for switching suppliers is difficulty in doing business with them.

New customer experiences

This awakening of demand among B2B buyers to receive a slicker B2C experience is summed up by Deloitte as **“the customer experience enters the B2B battlefield”**.

Surging demand for better B2C eCommerce services has seen a vast range of valuable features rolled out on the sites people use every day. As a result, people buying from a B2B site started to expect a similar experience they get from Amazon, raising the bar with commonplace features in B2C, including in-stock information, the available variations and complementary products, how much items cost and when they will arrive.

However, B2B experiences are still less appealing, and many sites look like a brochure superimposed on the screen. To catch up with B2C advances and please buyers, B2B companies have an array of features at their disposal when implementing modern eCommerce systems.



Personalization

Too many B2B websites are not designed to embrace customer engagement and only expect a person to log in when it is time to pay for items. This approach misses the opportunity to establish who is accessing the site and tailor the content to fit their usual areas of interest.



Recommendations, availability and alternatives

Recommendations of complimentary ‘bought together’ items were once revolutionary, but today they are table stakes in B2C. Unfortunately, that is not yet the case with B2B, which usually expects a shopper to plough through page after page of a brochure-like experience to find related items.

Stock levels also need to be displayed so buyers are aware of key items running low. That way, they can order ahead of time, track when the item is back in stock or pick an alternative.



Buy Again

Of all the innovations B2C eCommerce has brought to market, the ‘buy again’ or simply ‘reorder’ is the most obvious feature B2B site owners can introduce with modern eCommerce if they do not already offer the option. If buyers have repetitive orders, they expect to restock at the press of a button, just like in B2C experiences.

A crucial B2B feature is to give buyers insight into their last order, as well as what they ordered in the same period or season of the previous year.



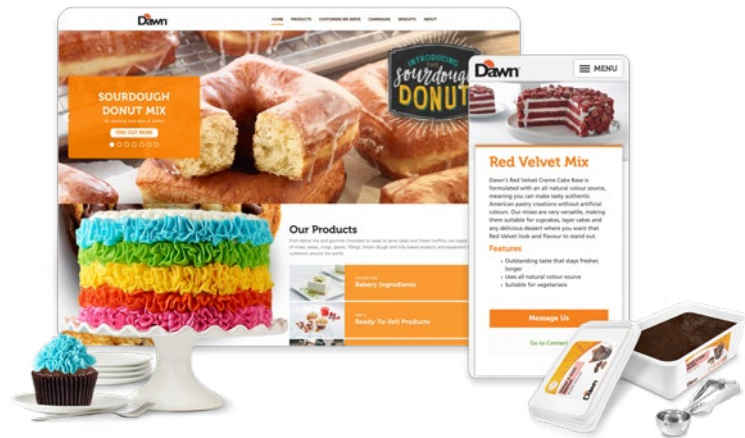
Subscriptions and ‘need it now’

Some B2B sellers, including the F&B industry, will have either moved into direct-to-consumer selling model, or D2C, or at least given the idea some thought during the pandemic, as it presents a new business line to generate more revenue. Whether to a business or an end consumer, subscription services are good for cash flow and offer a predictable overview of demand. However, it should not come at the expense of flexibility; in short, a ‘need it now’ option will convince buyers to select faster delivery schedules, helping the merchant keep up with the demand.

Case study: A new Dawn for customer experience



Building a more B2C-like experience for B2B buyers lay behind Dawn Foods working with commercetools to revamp its eCommerce strategy. The driving principle was very straightforward: enable users to see previous orders instantly and then click to reorder (possibly with some amendments). In addition to the “three clicks and you’re done” approach, the site now offers the full range of Dawn Foods’ products.



Since implementation, nearly all online orders feature items a buyer had not previously selected, and a growing amount of customers now order online after their second or third order has been placed. With commercetools, Dawn Foods has experienced a myriad of benefits, including:

2x
sales order
increase

25%
of customers now
buy online

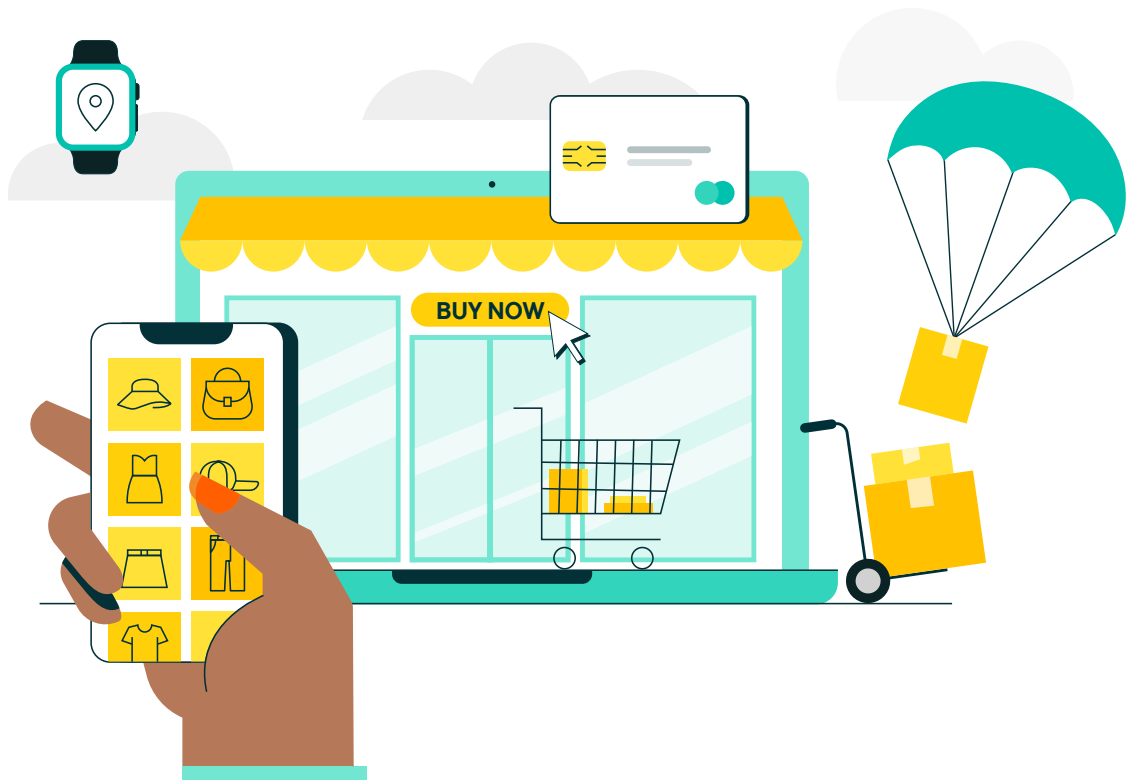
50%
of customers
registered online.

Read the full story [HERE](#).

Omnichannel means anytime, anywhere, any place

B2B commerce used to revolve around a field salesperson armed with samples and a brochure, making calls to various customer locations to build a loyal base and service them with the personal touch by taking orders face-to-face or over the phone.

This is all changing with digital. Modern buyers who have grown up using the likes of Amazon and eBay want to shop on the channel and device of their choice. An order started online on a laptop, for example, must be able to be completed on a mobile device. Should the buyer need to change details later, this again must be channel-agnostic. B2B eCommerce needs to provide this flexibility.



This also applies to delivery. Orders made online should be available for delivery or to be picked up on a “click and collect” basis, depending on customer choice. The same should apply to an order placed in person, perhaps at a warehouse or manufacturing facility. When this level of omnichannel service is missing, frustration ensues. Hence, when Deloitte surveyed B2B buyers to identify their main gripes with merchants, a whopping 88% stated suppliers are not flexible enough in their processes and policies.

Modern eCommerce fuels new services and growth

The list of new services B2B F&B organizations can bring to their customers through frictionless eCommerce is long. However, if one feature might persuade the board to make the leap, it would be analytics.

Not only does digitization provide a better screenshot of how the business is performing, but it also shows where the merchant and their customers are missing gaps in the market. This is one of the vast benefits Deloitte Partner, John Van Wyk, believes will allow B2B merchants to drive growth and improve buyer loyalty.

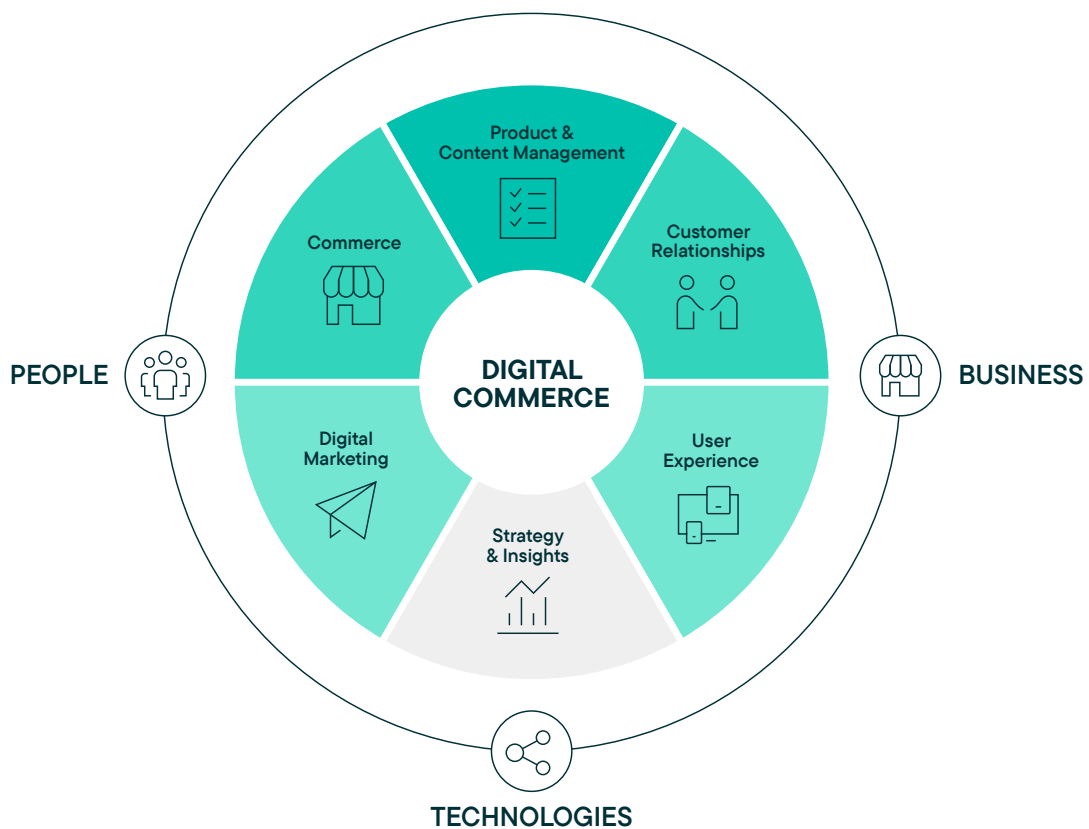


Figure 2: Digital Commerce

“You could potentially improve loyalty by providing additional support services that customers may not be able to afford themselves, such as insights into their competitiveness in their community, in their category, in their region,” he says.

“When an organization improves its understanding of retailers across geography, they can also start to understand where they’re not selling enough or where they’re over-servicing and not getting a return. With those insights, they can become more selective about where they invest. They may even identify new product opportunities because I’m selling a category in geography X but not geography Y, which is very similar.”

Ultimately, with digitization having grown momentum during the pandemic, the shift to improved eCommerce systems is so substantial now that, Van Wyk believes, investment is no longer an option; it is compulsory.



I think the competitive dynamic now is so strong that those who don't start to become more digitally capable will almost certainly be outflanked by competitors who do.

JOHN VAN WYK, DELOITTE PARTNER



Going headless with MACH

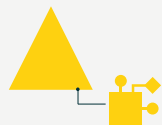
B2B companies in F&B need to switch from legacy eCommerce systems to flexible architectures that deliver online experiences B2B buyers demand. It is crucial to get away from rigid IT platforms to orchestrate a frictionless service and offer seamless customer service. Multiple databases must communicate with one another to deliver, for example, previous order information, current availability and delivery schedules – all on the same screen. While legacy systems will struggle with many different parts of the IT landscape needing to talk to one another simultaneously, there is a new way to do this: Build dedicated microservices for each function instead of trying to do everything within a single monolithic structure.

The new approach is **MACH**, standing for Microservices-based, API-first, Cloud-native and Headless.



Microservices

Loosely coupling services in an application enables each feature to have its own release cycle to speed up iterations.



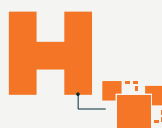
API-First

Pluggable, scalable and replaceable, APIs simplify programming and accelerate speed to market.



Cloud-Native

Provides on-demand availability and instant scalability to support A/B testing, while offering high security and faster content delivery.



Headless

Decoupling the frontend eCommerce platform from the backend allows each side to iterate independently while ensuring no disruption in the UX.

Figure 3: MACH approach to eCommerce

Each microservice is a function of an eCommerce website, such as buyer account, orders, promotions, cart and payment. Each of these microservices uses multiple Application Programming Interfaces (APIs), which act like telephone exchanges, allowing data to flow in and out of the service, like connecting various databases with information about a customer, current promotions, past orders or checking credit levels to process a payment. They are built from scratch to operate in the cloud and run by cloud infrastructure experts, saving businesses from the hassle of operating and updating IT infrastructures themselves. For Willem Haring, Solutions Architect at commercetools, the API-first approach is best described as how a puppeteer controls the limbs of their puppets.

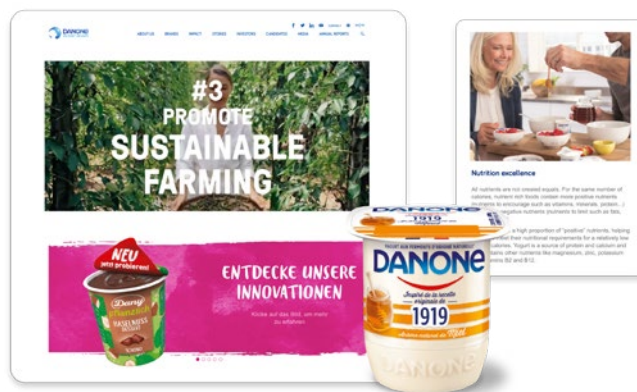
“Imagine Pinocchio, a marionette you can move around because it has strings attached to a frame,” he says. “The frame is the microservice, and you can attach multiple strings, or APIs, to it to carry out many functions, depending on which strings you pull.”

In addition, with the headless approach of decoupling the eCommerce frontend (the customer-facing channel, such as a website) from the backend (data layer), B2B merchants gain flexibility and agility to perform changes without dependencies.

Case study: Danone ditches a monolith to embrace flexibility



Danone has adopted the MACH approach to reverse the “fragmented” landscape of different business parts across multiple geographies within a “monolithic” architecture. Instead, it has rolled out a new modular strategy entitled “local agility, central core” to allow an API-first eCommerce approach.



12
Markets with
Multiple Brands

300
Commerce
APIs

100
ms Response
time (SLA)

The company opted for commercetools because of its ability to combine different aspects of a broader commerce ecosystem. In addition to streamlining B2C operations, composable commerce has enabled B2B sales of medical goods from Danone’s website in the UK using one single commerce platform. “We were stuck in the past, with very monolithic decisions having to be made,” says Luke O’Connell, Global Enterprise Solutions Manager at Danone.

“So we decided to switch to a MACH architecture, which allows us to be modular, to pull components in and out. Fundamentally, we are building a modular system, we are making impactful choices for commerce, and we absolutely put commercetools at the heart of this.” Read the full story [HERE](#).

The magnificent seven: tips to transform your eCommerce

As a tech leader, you understand migrating to a modern commerce solution is not only inevitable, it is imperative to ensure you can keep your business growing. Below are some simple tips that will help you to conquer bottlenecks, accelerate your eCommerce journey and keep you focused on your future.



Headless architecture: Decoupling your monolithic platform front from your backend will empower faster and more cost-effective launches.



Cloud native: Avoid crashes and abandoned carts due to exceeded capacity, cloud-native systems deliver scalability by delivering the power and speed needed to adapt automatically to traffic spikes.



Versionless software: Cut costs and save time by integrating a language-agnostic SaaS solution that manages updates seamlessly.



Composable foundation: Replace a rigid platform with a Microservices-based, API-driven architecture that provides a more flexible environment for faster launches, innovation and developer experiments.



Experience strategy: Create a hybrid build-and-buy plan. You can purchase commoditized functionalities as APIs and build the remaining 20% to save time and money. This will help you to meet specific business requirements while delivering to your customers' expectations.



Recruit the best talent: Leverage your new composable commerce solution to attract highly qualified developers. The talent pool widens significantly when you invite them to work with innovative tech rather than to maintain legacy systems.



Position yourself as a digital-first company: Involve the entire organization in your digital transformation. Make sure everyone understands "What's in it for me?" to gain buy-in and be able to shift your organizational mindset.

Another benefit of a MACH approach is how it helps companies achieve composable commerce. In a nutshell, composable commerce is about deploying best-in-breed tools that, linked together, build the most suitable eCommerce solution for your business. Think of it as the difference between Playmobil and LEGO: While Playmobil can only be used for one purpose, with LEGO you can combine different building blocks in multiple ways in a more versatile manner.

Composable commerce at a glance

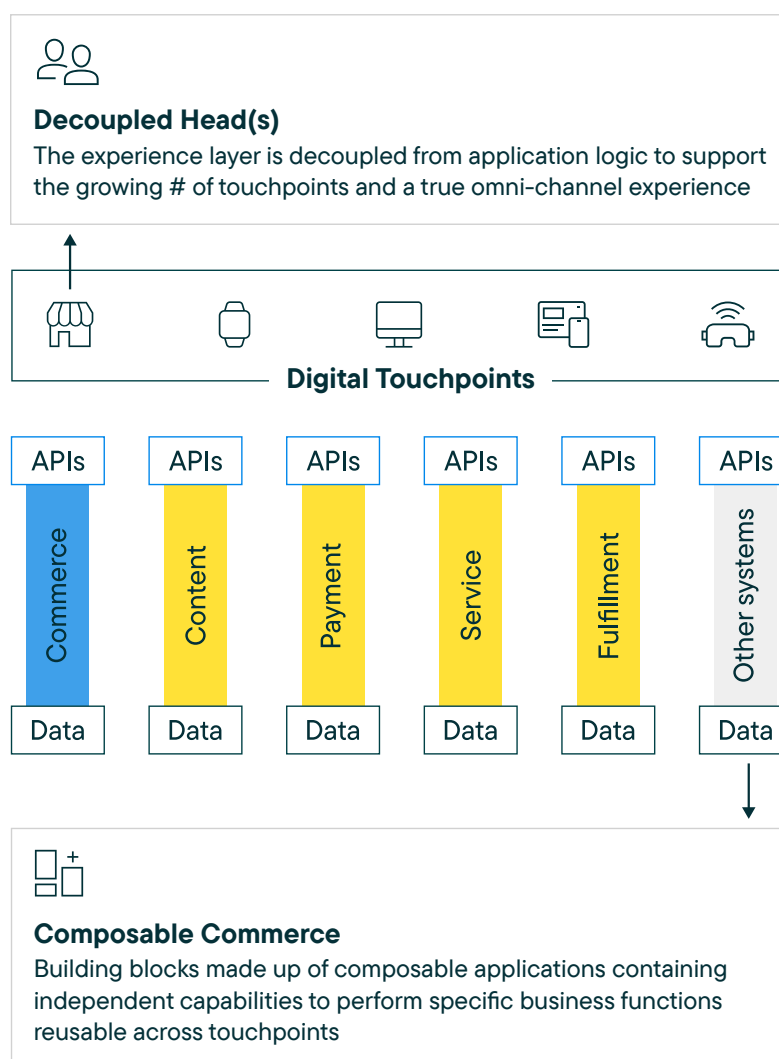


Figure 4: Composable Commerce

“You can buy systems today that combine all the functionalities you need for an eCommerce system in one application, and it's almost like playing with Playmobil. It does what it says it does,” Haring adds.



When you're done playing with trucks and want to step up to racing cars, there's no way to morph your truck into a racing car. With LEGO, you can take the individual parts and construct them into a racing car. This is exactly what MACH does for you. You can create services that perform specific functions for you, and everything communicates through APIs.

WILLEM HARING, SOLUTIONS ARCHITECT AT COMMERCE TOOLS

“You can buy systems today that combine all the functionalities you need for an eCommerce system in one application, and it's almost like playing with Playmobil. It does what it says it does,” Haring adds.

Conclusion: Go headless to future-proof your business

Customer experience is crucial in B2B eCommerce simply because buyers are starting to demand it. The fact is legacy systems are not flexible enough to cope. They do not allow the best tools to be used for each job, as they simply ask users to put up with what they are offered.

A MACH approach, in particular its headless element, is the answer. It decouples the frontend of an eCommerce service from the backend. This offers businesses the flexibility to invest in best-in-breed solutions rather than get stuck in a rut of only being able to use legacy tools provided by a monolithic tech stack.

This is increasingly important to the F&B sector as it struggles with rising inflation, new barriers to trade, unpredictable food production and supply chain challenges. Working smarter to boost efficiency and augment sales, tapping the buyers' desire to consume B2B products in a seamless B2C-style experience will reduce cost, increase operational efficiencies and boost revenue.

Experts warn that if companies wait too long to start selling online, they will soon find themselves outflanked by faster rivals investing heavily into frictionless customer experience in B2B selling.

Evidence of this is the rate of buyers switching suppliers: It has nearly tripled after the pandemic. Therefore, this is not an academic discussion; it is a real movement among buyers towards merchants who offer the high customer experience they have come to expect in B2C. As **Danone**, **Just Eat**, and **Dawn Foods** have found out, modern B2B eCommerce solutions are more convenient to use and help to win new customers, boost sales figures, and increase loyalty rates.

About commercetools

The inventor of headless commerce, commercetools is an innovative technology disruptor that has established itself as an industry-leading eCommerce software provider. Today, some of the world's most iconic brands and growth-focused businesses trust commercetools' powerful, flexible, scalable solutions to support their ever-evolving digital commerce needs. As the visionaries leading the modern MACH (Microservices-based, API-first, Cloud-native and Headless) architecture movement, commercetools provides customers with the agility to innovate and iterate on the fly, merge on and off-line channels, drive higher revenue, and future-proof their eCommerce business.

Based in Munich, Germany, with offices in Europe, Asia, and the United States, commercetools is singularly focused on leading a future of limitless commerce possibilities.

More information at commercetools.com.

About Deloitte Digital

Deloitte Digital helps companies create new growth by elevating the human experience — with connected ideas, technology and talent. Our ambition is to make the best customer-oriented organizations in the world. Alongside all of Deloitte, we foster the connections necessary to shape a better future for our clients, our culture, our society and our planet. Visit www.deloittedigital.com or follow Deloitte Digital on [LinkedIn](#) or [Twitter](#) to learn more.

About Deloitte

Deloitte provides industry-leading audit, consulting, tax and advisory services to many of the world's most admired brands, including nearly 90% of the Fortune 500® and more than 7,000 private companies. Our people [come together](#) for the greater good and work across the industry sectors that drive and shape today's marketplace—delivering measurable and lasting results that help reinforce public trust in our capital markets, inspire clients to see challenges as opportunities to transform and thrive, and help lead the way toward a stronger economy and a healthier society. Deloitte is proud to be part of the largest global professional services network serving our clients in the markets that are most important to them. Building on more than 175 years of service, our network of member firms spans more than 150 countries and territories. Learn how Deloitte's approximately 415,000 people worldwide connect for impact at www.deloitte.com.