

# Pivotal Trends and Predictions in B2B Digital Commerce in 2023

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## Introduction

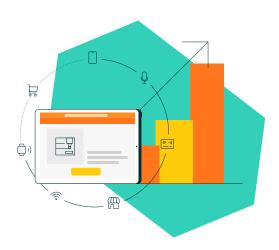
Digital commerce in B2B has been predicted as the next big thing by specialized analysts for years. Still, year after year, growth forecasts fell flat. The pivot to digital has been slow, with B2B companies having a digital presence being the exception rather than the rule. Then Covid-19 hit and forced businesses and consumers to embrace the "new normal" in an unprecedented digital shift.

The pandemic was just the beginning; other significant macroeconomic trends came into play, from the war in Ukraine and post-Brexit to an energy crisis and rising inflation spanning the globe, which may lead to an economic recession this year. Together, these circumstances bring a myriad of challenges to B2B companies, including supply chain disruptions and rebalancing sales, commerce and marketing in times of crisis and tight budgets.

This challenging, unpredictable economic backdrop also brings opportunities for B2B firms to switch from surviving to thriving — and that's what we focus on. In this guide, take note of the trends, insights, success stories and predictions from the commercetools team so you're up to speed with modern commerce for B2B in 2023.

# The state of B2B digital commerce

With an estimated 60% of leading B2B companies having either zero or limited eCommerce capabilities at the start of the pandemic, in the span of two years, the picture is the opposite: In early 2021, 53% of B2B companies across industry sectors offered eCommerce capabilities, further climbing to 65% in February 2022.



#### What does this mean for B2B players?

A portion of companies with zero or limited digital capabilities was forced to up their game to survive, launching eCommerce sites that failed to impress customers. And the companies with an online presence realized that their technology wasn't able to handle today's fast pace of change or the volume of online orders, stunting their growth.

All in all, accelerated efforts by B2Bs to digitally transform haven't always translated into great customer experiences. Despite 67% of the B2B buyer journey taking place in digital channels, about 66% of B2B buyers are dissatisfied with their online purchasing experience and 89% of companies in the UK and US find buying online more complicated than offline. B2B buyers also aren't as concerned about loyalty: 90% of B2B buyers would turn to a competitor if a supplier's digital channel couldn't keep up with their needs.

#### Is B2B digital commerce surviving or thriving?

B2B customer expectations have evolved, placing digital commerce as a part of top-of-mind awareness **86%** of B2B decision-makers prefer using self-service tools for reordering rather than talking to a sales representative<sup>1</sup>

**35%** of B2B buyers are willing to spend \$500,000 or more in a single transaction through remote or online sales channels<sup>2</sup>

## B2B journeys are going digital and omnichannel

67% of the B2B buyer journey takes place in digital channels<sup>3</sup>

**83%** of B2B leaders believe that omnichannel selling is a more successful way to prospect and secure new business<sup>4</sup>

## But so far, B2B digital commerce experiences have failed to impress customers

**66%** of B2B buyers are dissatisfied with their online purchasing experience<sup>5</sup>

**89%** of companies in the UK and US find buying online more complicated than offline<sup>6</sup>

**48%** of B2B buyers experience problems "often" or "always", and a further **40%** report having issues "sometimes"<sup>7</sup>

## B2B buyers are less concerned about loyalty

**90%** of B2B buyers would turn to a competitor if a supplier's digital channel couldn't keep up with their needs<sup>8</sup>

As a result, B2B suppliers are ramping up investment in digital commerce even in times of crisis

**17.8%** increase in online sales on B2B eCommerce sites, login portals and marketplaces in 2021<sup>9</sup>

<sup>1</sup>McKinsey, <sup>2</sup>DigitalCommerce360, <sup>3</sup>Deloitte, <sup>4</sup>McKinsey, <sup>5</sup>Bloomreach, <sup>4</sup>Wunderman Thompson, <sup>7</sup>Deloitte, <sup>8</sup>Wunderman Thompson, <sup>9</sup>Digital Commerce 360

A reason for these eye-opening numbers is that B2B players are midway through a rather steep learning curve; they are experiencing first-hand that going digital is not just creating a rudimentary self-service portal and calling it a day. Now, B2B firms have to digitally transform not only their "commerce," but also their entire business, from marketing and content to checkout and fulfillment, to achieve a true end-to-end customer experience. With the B2B trade about 3x the size of B2C, it's no wonder digital commerce is the next frontier for B2B players to grow.

The imperative for investing in digital commerce is undeniable, but how to cut through the noise with so much information out there? In the following chapters, we present **the shift in the B2B buyer behavior, technology architecture and how the market will play out in 2023 and beyond**, as the baseline for your digital transformation strategy.

# The shift in B2B buyer expectations

The traditional B2B relationship between buyers and sellers has been slowly changing in the last few years, but only when the pandemic hit did the buyer/seller dynamics dramatically transform. Customer behavior was forced to change; instead of in-person meetings or events, interactions pivoted to video calls, online chat and eCommerce. 83% of B2B buyers now prefer ordering or paying through digital commerce.



Other factors come into play, such as the increased number of <u>digitally-native</u> <u>Generation Z</u> entering the workforce and <u>millennials</u> taking decision-making positions. B2B buyers are also consumers exposed to sophisticated eCommerce experiences in their personal lives, raising expectations that, when purchasing items on behalf of their employers, they can do so in a frictionless and personalized fashion.

These consumer-like expectations are at the heart of B2B commerce and how manufacturers, distributors, wholesalers and other B2B sellers will shape their customer experiences — online and offline.

#### AT A GLANCE

83%

of B2B buyers prefer ordering or paying through digital commerce<sup>10</sup> 74%

of millennial B2B buyers switched vendors for improved consumer-like experiences<sup>11</sup> 73%

of B2B buyers want a personalized B2C-like experience<sup>12</sup>

**72**%

of B2B buyers are eager to purchase across channels<sup>13</sup>

250%

increase in B2B mobile ordering<sup>14</sup>

66%

of B2B buyers prefer remote human interactions or digital self-service rather than one-toone sales talks<sup>15</sup>

<sup>10</sup>Gartner, <sup>11</sup>PYMNTS and American Express, <sup>12</sup>Accenture, <sup>13</sup>McKinsey, <sup>14</sup>McKinsey, <sup>15</sup>McKinsey

## **B2C-like experiences, B2B-specific features**

As 74% of millennial B2B buyers switched vendors for improved consumer-like experiences, it's clear that B2B buyers expect to find engaging experiences when interacting with a B2B online shop, from product discovery to loyalty:

- · Easy-to-navigate product catalog
- · Search options
- Inspirational content
- · Shopping lists
- Payment options, e.g., credit card, invoices, punchout, etc.
- Personalized functions, including recommendations
- Fast loading and high-performing digital storefronts

However, a pure B2C-like approach doesn't work if B2B-specific features aren't part of the deal. B2Bs operate differently than business-to-consumer companies, and certain functions like reordering and order scheduling are crucial to managing inventory, for example. At the same time, not every fancy feature would make sense; therefore, talking to customers and discovering their challenges is crucial to shaping digital journeys.

#### **Building a B2B customer-centric** commerce experience at Mars, Inc.

Mars is best known for brands like M&Ms, Skittles and Snickers, offering a wide array of products to consumers and businesses alike. In B2B sales, the ice cream unit faced frequent customer complaints about the ordering process, which led to an overhaul of the digital sales journey. In 90 days, the Mars team created a prototype delivering what customers asked for: Easy-to-use information about products, pricing and order status that mimicked a B2C-like experience, plus the B2B specific features such as requisition lists, the ability to reorder easily, ship to multiple warehouses and schedule orders.





This was really what we were trying to achieve — a great customer experience by making it easier for our customers to do business with us and ultimately driving growth through this platform.



JASON THOMSTATTER HEAD OF DIGITAL COMMERCE, MARS INC.

#### **Personalization**

Deep personalization has been the bread and butter of traditional B2B sales, with oneto-one communication throughout the sales cycle up to closing the deal. However, with eCommerce performing a more significant sales role, how can these personalized interactions be carried through the entire digital shopping journey? After all, 73% of B2B buyers want a personalized B2C-like experience.

With customer analytics powered by Artificial Intelligence (AI) and Machine Learning (ML), B2B firms can craft omnichannel, customer-centric and personalized experiences similar to B2C. These tools can identify the customers' identities and interests by tracking their viewed pages and shopping lists, keeping track of past orders, providing custom content, etc. That way, it's possible to offer personalized experiences across multiple touchpoints that mirror one-to-one relationships with buyers.

## **Omnichannel and mobile**

B2B buyers used an average of five channels in 2016 and, five years later, this figure has jumped to 10 or more. In addition to the number of channels, 94% of B2B leaders agree that B2B omnichannel is here to stay. As B2B digital commerce evolves to a customer-centric model, the need for consistent omnichannel experiences rises: Beyond in-person/remote communication and eCommerce portals, many new touchpoints have emerged to engage B2B buyers and facilitate the purchase process. While 72% of B2B buyers are eager to purchase across channels, the trick is to define which channels to pursue and deliver a consistent experience across them.

Moreover, with B2B mobile ordering increasing by 250% since 2020, building a responsive mobile website and/or downloadable mobile app can streamline digital commerce big time, such as adding a one-click checkout and a mobile-friendly overview of a product catalog.

#### **Exploring social commerce at Dawn Foods**

B2B players are increasingly taking a page out of the B2C playbook and leveraging social commerce as a new touchpoint to increase sales. Dawn Foods, an American wholesale manufacturer of baked goods, started to explore social commerce with a "buy button" embedded in relevant social platforms and connected to Dawn Foods' eCommerce via an API.



With Dawn Foods' entire product catalog online and easily accessible from multiple touchpoints, it's easier for customers to find and purchase what they're looking for. This strategy has brought fantastic results, as 25% of all orders are now processed online with a higher average order value (AOV), as nearly all orders placed online include products that customers haven't bought before.



You've got the user and the transaction information, you can process the order from there [social media]. It eliminates friction.



GIREESH SAHUKAR VP DIGITAL AT DAWN FOODS

## **Hybrid sales**

Despite the preference for digital channels — <u>66% of B2B buyers</u> prefer remote human interactions or digital self-service rather than one-to-one sales talks — B2B buyers want a hybrid sales approach mixing in-person and digital self-service interactions. In practice, each channel is employed at different stages of the sales process:

- In-person sales are ideal for establishing a relationship and/or catering to high-value customers.
- Digital self-service channels best fit the needs of existing customers for finding and researching products and reordering, as well as being better suited for lower transaction value and/or less complex sales.

All in all, digital channels and in-person communication complement each other and should be used throughout the customer journey.

## Combining digital commerce and in-person sales at Nieuwkoop Europe

With an extensive catalog of plants for interior landscapers, exporters, florists and green retailers in over 40 countries, the interior landscaping leader Nieuwkoop Europe rebooted its digital commerce capabilities to inspire customers and make ordering easier. Customers were delighted — and so were the sales teams. This digital transformation means calls to internal sales staff have reduced significantly, paving the way for sales reps to become trusted advisors.





As a result of this implementation, we have taken a big step forward in our goal of customer autonomy: Our customers can easily do all their business with Nieuwkoop through the website and our sales department can focus on customer acquisition and value-added services. And, looking at our commercial results, we are seeing nearly 100% increase in our eCommerce revenue.



PAULIEN VAN DER ZWET

MANAGER MARKETING & ECOMMERCE, NIEUWKOOP EUROPE B.V.

## The shift in technology

The first eCommerce platforms, born between the 1990s and 2000s, provided all-in-one solutions for mostly B2C brands to sell online during the desktoponly era. Another wave of transformation hit with the launch of the first iPhone springing mobile commerce forward, as well as the rise of omnichannel — shaking the foundations of digital commerce.





### Where have B2B players been during these decades of the digital commerce revolution?

Most have ignored the digital space for a long time, relying on manual processes and one-toone relationships to close a sale. Marketplaces like Amazon Business became a route into digital for many; however, they quickly learned that fully depending on marketplaces prevented them from having direct access to customers, undermining their value proposition in the long run.

The few B2B firms that invested in digital commerce captured market share but faced massive challenges to make that happen:

- eCommerce platforms for B2B were not that common and, when available, they were monolithic blocks of software stifling innovation, so creating new features or updating existing ones was time-consuming and difficult to release. Over time, technical debt mounted.
- The inevitable upgrades and customizations B2B players had to perform came at high costs, bloating IT budgets unnecessarily.



The older vendors [of B2B digital commerce] originally built their products with monolithic architecture and offer many mature (but slowly evolving) B2B functions that have been battle-hardened over 15 years. The newer vendors built their products with cloudnative architecture and offer less mature (but quickly evolving) B2B functions as APIs that are designed for B2B businesses to compose into tailored solutions.

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But here's the rub: The modern vendors aren't function-mature. and the function-mature stalwarts have antiquated architecture that impedes innovation.

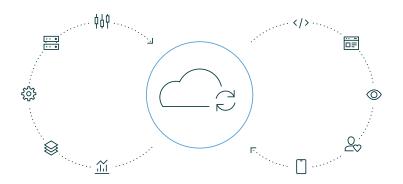
THE FORRESTER WAVE™ B2B COMMERCE SOLUTIONS Q2 2022

As the last few years have shown, change is a constant and companies should be prepared to tackle whatever comes their way.

With monolithic infrastructures incapable of responding well to constant change, new technologies have emerged to provide the much-needed flexibility, scalability and agility for B2B players to address the unique needs of their buyers and create the foundation for long-term growth. Here are four technology megatrends unfolding in 2023 and beyond.

#### Cloud-native architectures

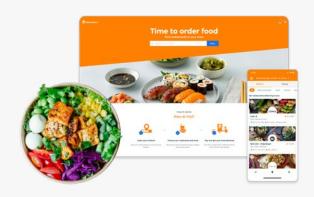
B2B companies have traditionally relied on on-premise IT infrastructures, which face frequent capacity constraints and have a high total cost of ownership (TCO). The cloud-native architecture switches that model onto its head as companies can leverage the flexibility, scalability and resilience of cloud computing to auto-scale capacity and perform the heavy lifting of data center operations.



According to Forrester, cloud-native architecture is a crucial criterion B2B firms should look for when shopping for a commerce system as "the solutions upgrade seamlessly, they interoperate with decoupled components through APIs and events, and your custom code is isolated from the core product." Also, versionless solutions that bypass costly and high-maintenance upgrades are supported by cloud-native infrastructure, and auto-scaling means companies don't have to worry about preprovisioning servers and software to handle traffic peaks anymore.

## Scaling up order capacity at JustEatTakeaway.com

Just Eat Takeaway.com's online B2B marketplace leveraged cloud-native architecture to scale up online traffic seamlessly and add new products without downtime. Since switching to the cloud, the company has increased B2B order capacity by 75% and has grown up to 20% in average order value (AOV).





With rapid changes in the food delivery market, we needed a system that can scale with us to even better support the needs of our partner restaurants.





GLOBAL HEAD OF ECOMMERCE PARTNER MARKETING, JUST EAT TAKEAWAY.COM

## Composable stack

With monolithic infrastructures reaching the end of the road, composable commerce paves the way for businesses to make customer-centric and omnichannel experiences a reality. In essence, composable commerce is the strategy of choosing best-of-breed components and "composing" them into a custom application.

By selecting the best components for their commerce experiences, B2B firms can create the experiences customers look for — and constantly adapt them whenever needed. In short, with composable commerce, companies can plug, update and even replace tools sourced from specialists, such as search, catalog, checkout, etc.



Prior to composability, companies had two options: Build a proprietary (homegrown) commerce stack from scratch or buy it from an off-the-shelf vendor. Now, B2B firms can do both — and more:

- · Build the components that make the business unique.
- Buy the commodity components that don't make sense to build from scratch like catalogs or shopping carts.
- Extend and customize those commodity features, injecting bespoke parameters to tailor customer experiences.
- Customize the tech stack with best-of-breed components whenever needed.

Delivering a composable stack is possible with MACH™ architecture, a technical model founded on microservices-based, API-first, cloud-native and headless principles. It supports a composable enterprise in which every component is pluggable, scalable and replaceable, plus it can be continuously improved through agile development to meet evolving business needs.

With unpredictability mounting in 2023, we expect more B2B players to take the route toward composable — not only in commerce but across the entire IT landscape.

## Modern data management

Delivering customer-centric experiences is intrinsically connected with data management. In B2B, buyers expect product, pricing, inventory, shipping and customer data points to be accurate across every touchpoint so they can make better purchasing decisions:

- · When to order certain products
- · Calculate quantities and discounts
- · Order alternative products if items are out of stock
- Personalize experiences

However, data accuracy remains an issue as <u>84% of B2B suppliers</u> don't provide timely information on price, product formula changes, availability, etc. This is because most companies still rely on rigid data paradigms unable to handle large quantities of unstructured data.

With businesses in need of processing data (product, customer, pricing, inventory) from various sources at breakneck speed to upsell and cross-sell effectively, more businesses are choosing to axe legacy platforms in favor of flexible data models.

66

Just democratizing data and access to data is not enough. What really matters is the democratization of insights. To be able to focus on the analysis, users need radically simple tools that let them focus on their work while letting the machines manage and automate the complexity of what's happening behind-the-scenes, like resource provisioning and handling growing scale.

Google Cloud

CARRIE THARP

VP OF RETAIL AND CONSUMER, GOOGLE CLOUD

## Leveraging data to streamline a vast product catalog at Geberit

Geberit, a sanitary technology manufacturer, manages a vast product catalog with thousands of product variations and faced the challenge of displaying accurate Product Data Pages (PDPs) across all touchpoints. With modern data management under the hood, Geberit can power product data across various retail channels with the option to compile shopping lists and download data.





Now that the first channel — the online product catalog — is able to pull up product data from the multi-channel business solution, the next natural step is to ensure that all remaining websites, apps, tools, etc., are connected to the new interface.



STEFANO GIACOMELLO

HEAD OF PRODUCT DATA MANAGEMENT APPLICATIONS, GEBERIT

### Why flexible data models are crucial for Dawn Foods

When the team at Dawn Foods decided to invest in digital commerce, one of their main requirements was to control their data model for maximum flexibility and agility — an impossible task with monolithic platforms. Choosing composable commerce and the flexible data models underneath it means the company owns, controls and changes the data model at any time.



66 With composable architecture, you break free of that vendor constraint. You're defining your model and leveraging your data the way you want to.



GIREESH SAHUKAR VP DIGITAL. DAWN FOODS

## Constant change, agile mindset

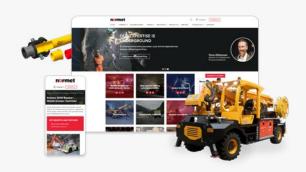
The "constant change" landscape is forcing B2B players to embrace agile principles, so they can adapt to new market conditions and buyer expectations. In practice, being agile means breaking big tasks into smaller packages that are easier and faster to implement. Not only is this approach easier to manage, but it enables teams to iterate, experiment, and collect results early via proofs-of-concept (POCs) or minimum viable products (MVPs).



This agile mindset perfectly matches the composability approach; with a flexible and modular way of working, teams are more conducive to faster iterations with lower upfront investments.

### Normet goes agile to keep up with market changes

The way Normet, a leading equipment supplier for underground mining and tunneling projects, switched to agile is emblematic of this mindset shift. The company's decision to embrace composable commerce is about future-proofing the business, as it's unclear how the market and customer needs will change in the years to come.



If we are thinking about 2...3...4 years into the future, we need to be prepared in case something changes, for example, in customer behavior or connecting to IoT. If we would have built the system with a traditional monolith eCommerce system, we would have lost that agility for the future. This is why we chose composable architecture.



PEKKA JAARINEN

DIRECTOR, DIGITAL SERVICES, NORMET

## The shift in 2023: Predictions

The B2B realm encompasses manufacturers, distributors and wholesalers across industries like food, mining, construction, professional services, chemicals, automotive and transport. In short, it's a massive trade with each sector and business unique in their challenges and opportunities. While each business is indeed different, our in-depth experience in B2B digital commerce shows that many of the pressures, issues and opportunities B2B companies face have similarities that you can use to craft your vision and execution plan.



Here we combine data and insights from B2B players across industries on how they see the market evolving, what trends and ideas make sense to focus on, and what the digital experts at commercetools expect to unfold in 2023.



## #1 - New-to-digital B2B firms debut composable commerce

B2B players still plagued with manual processes and siloed backend systems will choose composable commerce, benefitting from the flexibility, scalability and agility it provides. This leap will be motivated by both business and technical reasons:

- Reduce the complexity and cost of in-house IT infrastructure
- · Adopt an agile-first mindset to weather constant changes
- The need for customer-centric experiences to boost revenue

These B2B firms will focus on modernizing their backend, interoperating siloed systems like CPQs for sales and ERPs for order entry with an API-first and composable commerce stack for flexibility gains. They will pivot from on-premise to cloud-native as the baseline for <a href="mailto:auto-scaling capabilities">auto-scaling capabilities</a> instead of pre-provisioning online capacity during traffic peaks.

With some B2B firms having a tight budget, we expect they'll focus on specific functionalities within the buyer process, like the <u>product catalog</u> and <u>checkout</u> as the starting point of their digital journey. To make this happen, these B2B firms will bring specialized partners to guide them through this digital transformation.

## #2 - Product discovery is a priority

B2B companies usually have vast product catalogs supporting thousands of product variations and customizations. As a result, finding the right product can be a herculean task, translating into missed opportunities and revenue. With 70% of B2B buyers doing online research to find the products they need, discoverability will stay a priority for companies across the digital maturity spectrum.



#### Product discovery to the rescue

Normet has a highly specialized product catalog consisting of 65,000 spare parts maintained manually for years. To streamline product discovery for existing and potential new customers, the company digitized all 65,000 SKUs and now has the opportunity to upsell and cross-sell products by promoting other value-added accessories.





Another interesting case is TROX, a room ventilation and air conditioning supplier. By providing highly made-to-order product variations with a sophisticated online product finder and configurator, the company can determine if the customer's desired components are compatible and can be produced. With crucial information such as expected delivery time, pricing information and lifecycle cost, the myTROX webstore provides maximum flexibility for product discovery and customization.



## #3 - Focus on data quality

There are many data points for B2B firms to capture throughout the customer journey — product, inventory, pricing and customer data — that should be accurate and consistent across touchpoints. We'll see B2B companies reorganizing their vast information pools to upsell and cross-sell effectively by pivoting to modular and API-first solutions, plus flexible data models, so they can break data silos and access the data when needed.

We also expect to see more customer analytics to unlock data on buyer behavior. By understanding what customers see, click and add to their shopping lists, companies in the B2B trade get valuable insights into how buyers tick and can reflect this data in the

shopping journey according to product interests or persona. The use of data to unlock growth has already shown first results; B2B companies that use analytics extensively tend to outperform their competitors.

With data-driven tools coming into play, we expect B2B players to boost customer analytics to personalize experiences, improve customer satisfaction and reduce churn.

t is important for B2B companies to look at their data as if it is one of their products; invest in its upkeep and integrity while finding ways to continuously improve it. Using advanced analytics powered by AI and ML to identify patterns from large amounts of data, B2B companies can activate insights into customer decision journeys to maintain loyalty, personalize experiences to improve satisfaction and boost revenue, while also finding ways to optimize costs. For example, with analytics, enterprises can streamline spend to focus on the highest-performing channels and increase profitable revenue and productivity.

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CARRIE THARP VP OF RETAIL AND CONSUMER, GOOGLE CLOUD

#### #4 - B2B sales face an overhaul

It turns out that digital commerce is not only a great addition for customers; sales teams also massively benefit from this shift. While many sales reps have feared eCommerce would cannibalize direct or channel sales, the reality is that digital channels haven't replaced people. Rather, eCommerce is accelerating the evolution of B2B sales: Instead of focusing on manual tasks like filling out quotes or taking orders via fax or email, now they can take a more consultative approach, taking time to advise customers and build personalized relationships on top of eCommerce. The year ahead will cement the sales shift toward a more strategic and advisor-like role.





## #5 - The role of business practitioners grows

When speaking of technology, the teams that come to mind are IT managers and developers, while business users take a backseat. In the last couple of years, we've seen a shift in which business-related positions have been more present in technology decisions and day-to-day operations. This trend is compounded by the growing offer of no-code solutions (also known as business tooling) that enable marketers, product managers, etc., to manage webshops effectively and be an integral part of innovation, accelerating the pace of releases and driving down costs as a result.

In times of fast-paced change, it makes sense that crucial updates and releases are evenly distributed across the organization, and we expect that this trend will carry on in 2023.

## #6 - D2C expands further — with a caveat

B2B manufacturers have found synergies with the D2C (direct-to-consumer) model to open new revenue streams and customer segments, with eMarketer predicting the trend will tune over 14% year-over-year until 2023, and we agree. Manufacturers will reap the rewards of D2C, complementing existing distribution channels and intermediaries, and nurturing direct customer relationships.



However, many <u>B2B firms with plans to go D2C</u> may find it difficult to execute this strategy if they have a distinct commerce platform for each business model; that means missing out on crucial data synergies across products, catalogs, inventory and checkout, and extra costs spent with disparate platforms. That's why manufacturers will rethink how to execute the multi-model strategy; they'll likely choose one commerce engine that orchestrates all the data across business models instead of using multiple platforms.

## One eCommerce solution for all business models

A global producer of food and beverages, <u>Danone</u> <u>leverages composable commerce</u> to support B2C, D2C and B2B business models using one commerce engine. The B2C-first manufacturer made its first inroads into D2C to address the baby formula crisis in 2013 as well as during the Covid-19 pandemic in 2020, enabling distressed parents to find the right nutrition products for their babies directly on Danone's website.



The France-based company's healthcare division in the UK uses the same commerce solution for B2B customers to order medical samples directly from Danone, streamlining the customer experience while gathering key data on how these customers use its products. With a centralized product catalog across all business units, markets and brands, Danone can perform a hyperlocal strategy that crafts experiences according to local market needs without losing sight of the global brand and its products.



## #7 - The B2B customer experience will be redesigned

B2B commerce in 2023 will be about designing consumer-like experiences. While intense work needs to happen in the commerce engine to streamline every step of the customer journey, B2B players will again take a page out of the B2C playbook and implement core changes in their <u>digital frontends</u>. An increased focus on boosting website performance, mobile responsiveness and personalization will be at the forefront of these advanced digital initiatives.

We'll see B2B firms taking full advantage of their composable architecture by adding <a href="best-of-breed">best-of-breed</a> functions in payment, checkout and search, as well as stunning storefronts.

A note of caution is that some companies may halt progress due to a lack of budget; if this happens, they'll likely focus on the more pressing features instead of implementing fancy channels like augmented/virtual reality (AR/VR).

That said, B2B companies with a composable architecture will be able to redesign UX with the end-to-end customer journey in mind, with one commerce engine running behind the scenes instead of siloed systems co-existing but not communicating with one another.

#### **B2C** in disguise for B2B experiences

Australia's largest fashion uniform retailer,

Cargo Crew, launched a unique multi-site platform with 27 websites, enabling an easy 24/7 ordering system of fully curated uniform ranges, as well as bulk purchase and personalized products with embroidery, monograms and logos.

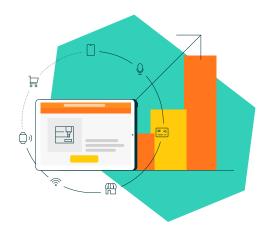
The investment in composable commerce paid off: Cargo Crew saw a significant uplift in online revenue by 34% and growing transactions of between 10% and 19% in ordered items. The company also saved an estimated 2,000 hours of client service and customer administration time compared to a manual ordering process. Online shopping now represents 73% of total transactions and 38% of business revenue.



## The year of incremental innovation

Will 2023 be a year of surprises? Is a recession becoming a reality? What's down the road for B2B companies?

It's hard to predict the future, so the best we can do is to prepare for whatever comes our way. Investing strategically during times of uncertainty instead of waiting for the crisis to pass is how B2B companies can thrive. This is where incremental innovation comes in.



Innovation is more than launching the next big thing. It's also constant iteration, experimentation and improvements, as well as adding new features or updating existing ones. It's about improving the customer experience every day. This is what composable commerce and the agile-first mindset champions: Start on a smaller scale, test it out, launch — and repeat. This way, B2B companies can tackle opportunities as they come without a significant upfront investment (which is even more crucial in times of rising inflation).

The experience B2B firms had with composable commerce in 2022 is evidence that they can switch from surviving to thriving, and effectively manage constant change no matter the size of a business or project:



We were able to launch 2 massive projects in the span of about 4 to 5 weeks, something we could not have been able to accomplish with our legacy platform.



JIM SOKOLOFF VP OF PLATFORM LOGISTICS, OPTIMIZATION AND OPERATIONS, CIMPRESS

According to Gartner, "organizations will need to move toward composable commerce to keep up with the pace of change in customer demand." In a world of constant change and unpredictability, we believe that incremental innovation powered by modern technologies is the answer for forward-thinking B2B players to meet new customer expectations — and succeed in 2023 and beyond.

# 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.

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