Evaluating the Essential Factors in Choosing the Right B2B Ecommerce Platform

Benchmark Report

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Executive Summary

The importance of ecommerce continues to grow for B2B organizations, and at the crux of a successful ecommerce strategy is a platform that can support an excellent experience for customers as well as seamless data management on the backend. In order to better-understand what B2B ecommerce executives are looking for when sourcing their ideal ecommerce platform, B2B Online surveyed 100 executives on their preferences.

The data reveals a need for flexibility around technology integrations. As the pace of technology development continues at a rapid clip, an ecommerce platform that remains static and inflexible can quickly go from an asset to a liability. Respondents placed the ability to integrate into an existing technology infrastructure as both the biggest barrier in the way of adopting a new platform, as well as the most appealing aspect of a potential new solution.

In response to these needs, flexibility in the form of cloud-based and open-source infrastructure is becoming increasingly popular for ecommerce platforms. In the same vein, more comprehensive Product Information Management (PIM) systems, AI chatbots and automated assistance solutions, and microservices architecture are all being looked at as methods of improving the fluidity with which the online experience can be managed and improved. Flexibility is a factor for the share of B2B executives who are also integrating secondary solutions for loyalty management and other purposes, as they need a platform that can integrate with the more specific tools they would like to deploy.

While the majority of B2B executives are currently satisfied with their ecommerce platforms, 25% have serious complaints—a significant share of the audience when it comes to such a critical component of an organization's technology infrastructure. They are looking for a platform that delivers on the promise of next-generation features, while remaining feasible to integrate into the systems that they have in place now.

Read on to discover where your B2B peers are currently satisfied, and where they are demanding change and looking to adopt new technologies and features in the pursuit of a leading ecommerce strategy.

Key Findings

Ecommerce is a significant source of revenue for the majority of B2B respondents who have invested in the channel. Now, the ability to grow their strategies is contingent on improving the efficiency of their ecommerce sites, as well as the back-end management of data.

The most common limiting factor preventing respondents from updating their ecommerce platforms is a lack of compatibility with their existing technology infrastructure. Conversely, the ability to integrate with existing technology setups is the most important factor that makes a potential solution appealing.
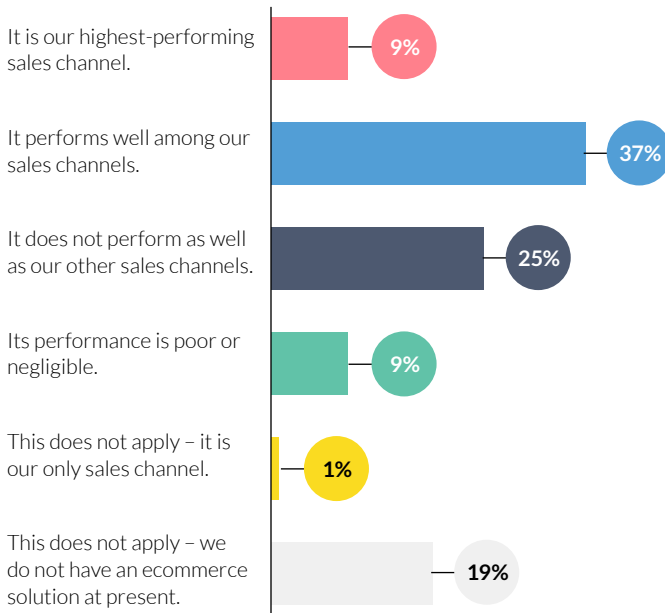
Advanced PIM systems as well as assisted sales alternatives such as AI-enabled chatbots are the new ecommerce tools that respondents feel are the most essential to their success.

Research Analysis

## Contextualizing the role of ecommerce in B2B organizations

In terms of customer engagement, how does B2B ecommerce perform compare to your other sales channels and activities?

It is our highest-performing sales channel. — **9%**

It performs well among our sales channels. — **37%**

It does not perform as well as our other sales channels. — **25%**

Its performance is poor or negligible. — **9%**

This does not apply – it is our only sales channel. — **1%**

This does not apply – we do not have an ecommerce solution at present. — **19%**

Among respondents who are currently engaging in ecommerce as well as operating within other sales channels, ecommerce is typically a high-performing channel, if not the most important overall for creating and sustaining customer engagement.

A collective 46% of B2B organizations feel that their ecommerce operation either performs well among their other channels, or is their highest performing channel. By contrast, 34% of respondents felt that their ecommerce is underperforming or doing poorly. The balance clearly favors the importance of ecommerce as a channel that can dramatically improve the ability of a B2B business to develop stronger connections with their customers.

What type of company do you represent?

53%
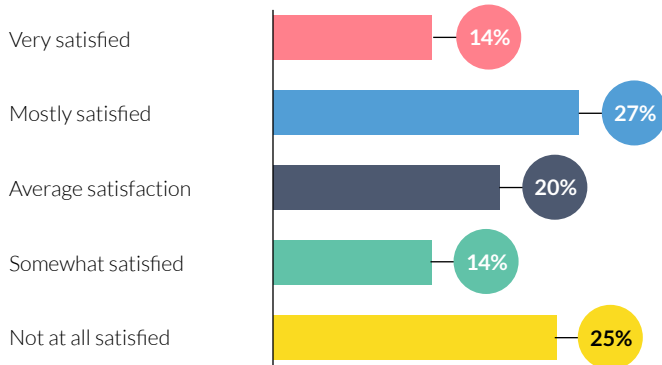MANUFACTURER

47%
DISTRIBUTOR
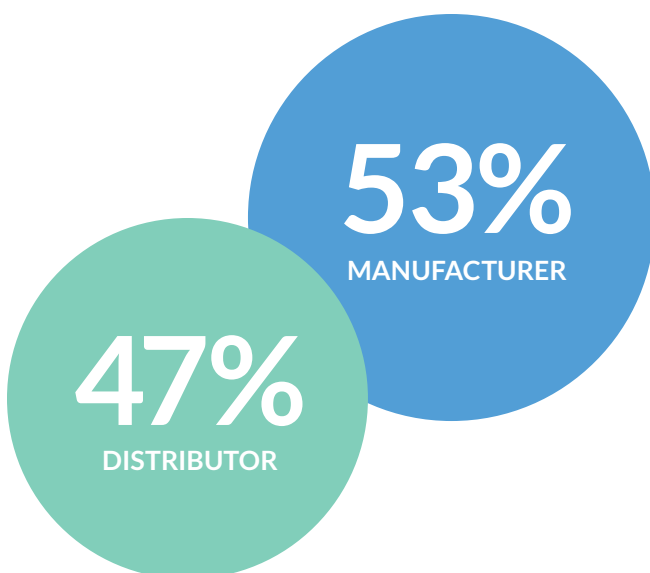
Respondents are virtually evenly split between primary manufacturers and distributors, reflecting the importance of an engaging ecommerce experience for both types of organization.

Whether operating as a manufacturer or a distributor, B2B organizations that have adopted ecommerce strategies predominantly report that ecommerce is a strong performer in terms of creating engagement. At the crux of improving engagement with an ecommerce strategy is the selection of an appropriate ecommerce platform that can implement responsive changes based on customer data and direct feedback, as well as support highly-requested features.

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Satisfaction levels with ecommerce platforms today and barriers to improvement

How satisfied are you with your current ecommerce platform?

- Very satisfied — **14%**
- Mostly satisfied — **27%**
- Average satisfaction — **20%**
- Somewhat satisfied — **14%**
- Not at all satisfied — **25%**

Across five levels of satisfaction, respondents are fairly evenly distributed, with slightly more respondents erring towards satisfaction than those who are unsatisfied.

The importance of ecommerce makes satisfaction with the right platform a paramount metric for B2B executives-and for the majority, satisfaction levels are average or higher. That stated, 25% of respondents are not at all satisfied with the performance of their platforms, which is a significant portion for such a critical area of feedback.

What is the greatest challenge standing in the way of having an ecommerce platform that performs up to your standards?

- Lack of compatibility with existing technology infrastructure — **30%**
- Siloed ownership of ecommerce responsibility — **19%**
- Pricing — **17%**
- Lack of executive buy-in — **14%**
- Lack of in-house expertise around platform options/RFP creation — **11%**
- Lack of omnichannel integration — **9%**
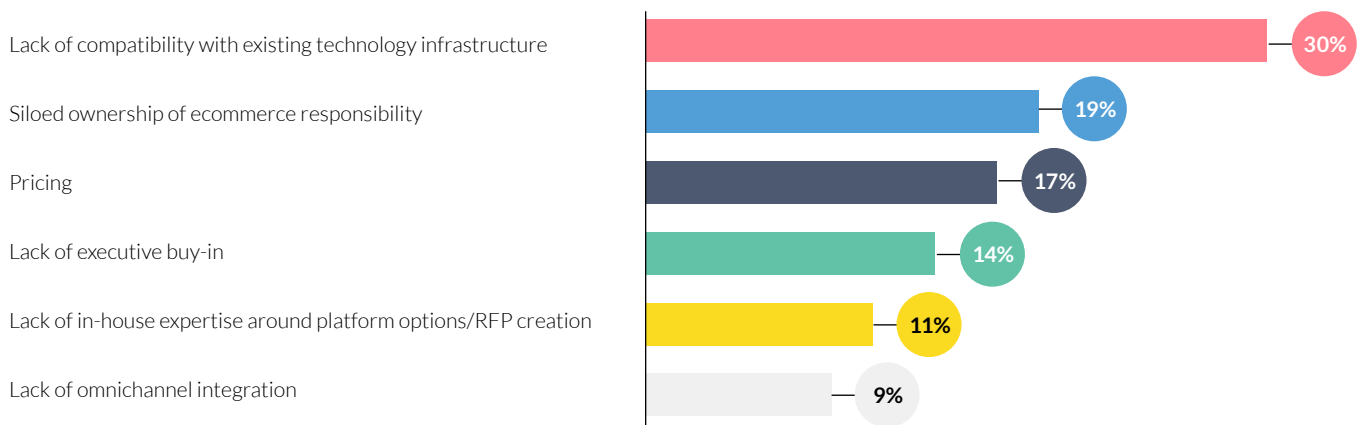
The most common challenges standing in the way of better ecommerce platform integration are split across technology factors and internal challenges.

Without the ability to integrate with pre-existing technology, even the most progressive new ecommerce platform will not be able to generate value for the organization. Out of the field of challenges listed, technology is the most common. Just under a third of respondents placing it as the barrier that holds them back the most from getting to the point, they need to be with their ecommerce platform performance. A lack of omnichannel integration is the last result, suggesting that while updating an ecommerce platform is a daunting task for many, omnichannel integration is something that has likely already begun to be developed.
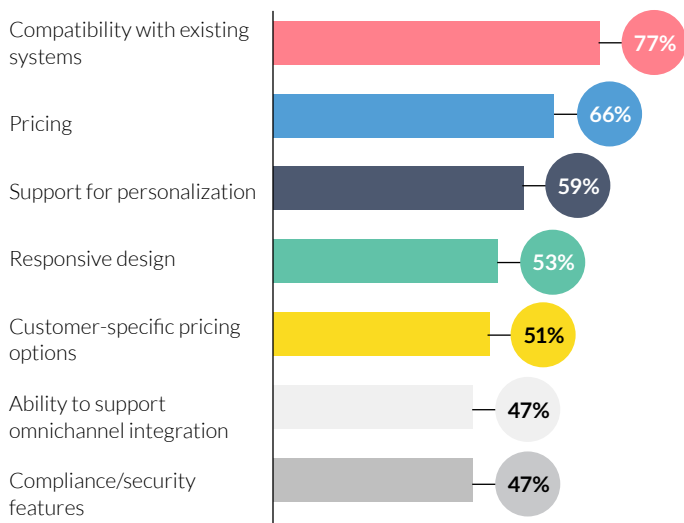
Without a coherent strategy for implementing something as critical as an ecommerce platform, it's unlikely that any progressive implementation can move forward, and for 19% of respondents, siloed ownership of ecommerce responsibility stands in the way of forming such a strategy. Without close coordination between IT and ecommerce operations and marketing, the formation of a plan to obtain a better ecommerce platform cannot come to fruition.

Pricing is followed closely by a lack of executive buy-in, and the two factors will often go hand in hand. Without a clearly laid-out value proposition for an ecommerce platform upgrade or the purchase of additional features, it can be challenging to gain executive buy-in, and without executives being convinced that new capabilities are important, even a well-assembled pricing plan will not make a difference unless large savings can be created.

When deciding on which platform to choose, it's important to have an informed opinion on the specifications required in the immediate term as well as what elements may become relevant as needs evolve after adoption. For 11% of respondents, this is a top-level problem holding them back from obtaining the solutions they need.

## Defining the key elements to look for in the right B2B ecommerce platform

What are the criteria you prioritize when sourcing an ecommerce platform to meet the needs of your organization?

Criteria	%
Compatibility with existing systems	77%
Pricing	66%
Support for personalization	59%
Responsive design	53%
Customer-specific pricing options	51%
Ability to support omnichannel integration	47%
Compliance/security features	47%

The most critical element any new ecommerce platform must have is the ability to integrate with the existing technology framework within the business. This factor is more important even than pricing, as without the assurance that a new platform will perform, sourcing is all for naught.

Compatibility with existing systems reigns along with pricing as the two most commonly picked factors that would encourage respondents to pursue an ecommerce platform. As these are also the two largest barriers that prevent executives from sourcing new technology, when they both line up, it has the ability to make a platform much more appealing.
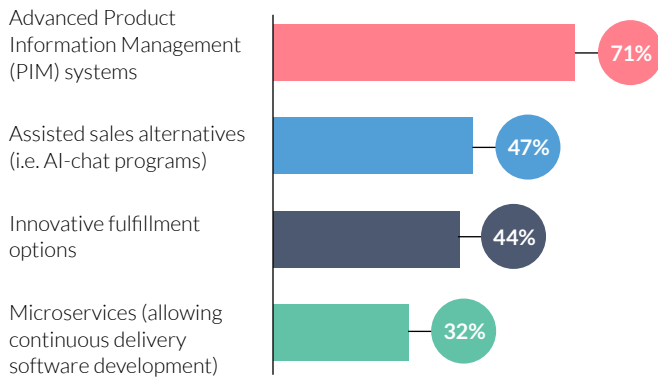
Do you currently use secondary loyalty/customer management solutions apart from your main ecommerce platform?

58%
NO

29%
YES

13%
NO, BUT WE ARE IN THE MIDST OF SOURCING/ ROLLING ONE OUT
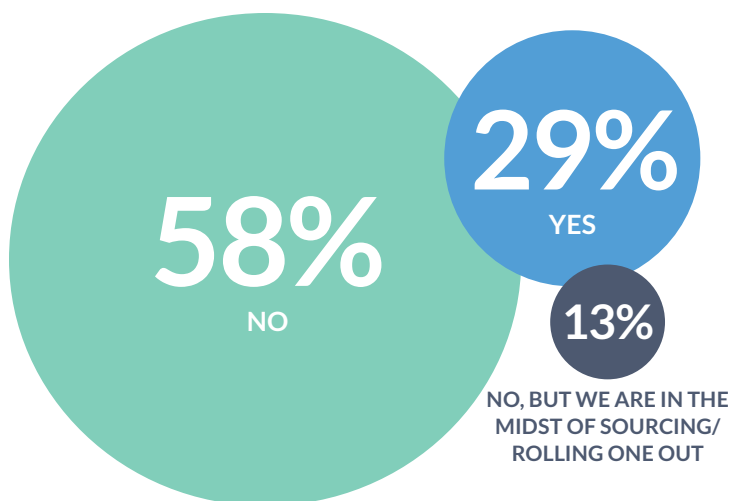
Secondary loyalty or customer management solutions that are meant to add to the functionality of an ecommerce platform are in use, or in the midst of being adopted by 42% of respondents who are prioritizing.

While the majority of B2B executives have not branched out their technology infrastructure to include secondary solutions meant to assist them, there is a relatively robust subgroup of respondents who have adopted secondary solutions or are in the midst of preparing to implement them today. The popularity of secondary systems adds another layer to the importance of compatibility when sourcing ecommerce platforms. Not only must the platform be able to integrate with existing technology infrastructure, it should ideally support integrations with other solutions meant to improve loyalty and customer management operations.

Which of the following new ecommerce qualities do you feel are essential to success?

Advanced Product Information Management (PIM) systems — **71%**

Assisted sales alternatives (i.e. AI-chat programs) — **47%**

Innovative fulfillment options — **44%**

Microservices (allowing continuous delivery software development) — **32%**

Among a range of important qualities for ecommerce success, the most commonly requested is a more advanced product information management system, reflecting the importance of conveying as much information as possible on product look, feel, and performance over a digital medium.

Improving ecommerce performance starts with conveying more easily-digestible information on products, and that is precisely the goal of a more advanced PIM system. 71% of respondents stated that this is an essential feature for enabling their overall ecommerce success, the most popular choice out of the field by a large margin.
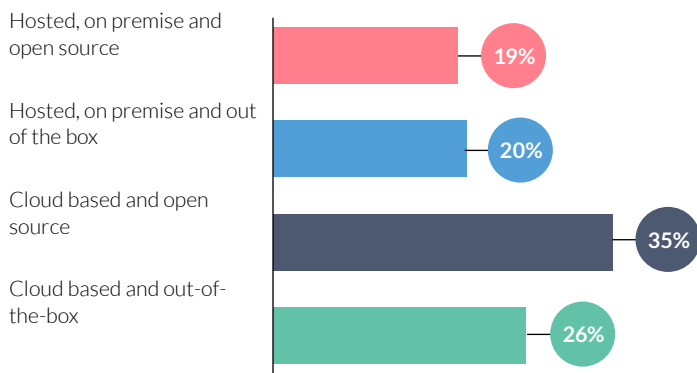
Assisted sales alternatives such as AI-enabled chat are the second most cited choice. After product listings that can be clearly digested by a site visitor, the presence of an AI-enabled chat feature or other assisted sales tool provides top-of-funnel engagement to potential customers who would like to know more about a product which can then be escalated or managed efficiently on an automated basis.

44% of respondents emphasize that more innovative fulfillment has a role to play in enhancing the level of performance of their overall ecommerce programs. While tools that promote on-page engagement rank higher out of this field of options, fulfillment options have a significant role to play in customer retention— and knowing that a preferred option is available when browsing options online can also provide the type of boost needed to change interest into a conversion.

Microservices architecture refers to the ability to incrementally tweak and manage service architecture through editing a series of services and can add a lot to an ecommerce organization's ability to develop their web service architecture more fluidly.

Which style of ecommerce platform to you prefer?

Hosted, on premise and open source **19%**

Hosted, on premise and out of the box **20%**

Cloud based and open source **35%**

Cloud based and out-of-the-box **26%**

The style of hosting with the widest margin of support is now cloud based and open source.

Cloud-based and open-source style platforms are now the most commonly preferred style of ecommerce platform. The flexibility that they provide is a critical element of viability, as we have seen that compatibility

with existing systems is a leading factor on whether or not an ecommerce platform is appealing. An open-source structure allows for more customization as well, allowing a business to develop its ecommerce platforms to better suit its needs over time.

That's not to discount the growing popularity of out-of-the-box cloud solutions. While the level of potential customizations available to an out-of-the-box solution may be lower than what can be achieved with an open-source approach, their less-complicated nature can make them an appealing choice nonetheless.

Hosted, on-premise and out-of-the-box solutions are favored by 20% of respondents, while 19% prefer open-source on-premise solutions. While 39% is not a minuscule share of the audience by any means, the increasing prevalence of cloud solutions in the market means that it is likely that a larger share of B2B organizations will transition to the cloud in the next several years.

What is your organization's stance on PCI security?

49%
WE PREFER TO MANAGE PCI COMPLIANCE IN-HOUSE

51%
WE PREFER TO HAVE OUR ECOMMERCE PROVIDERS MANAGE PCI COMPLIANCE

PCI compliance is an area where respondents are virtually evenly split, with only a 1% difference between those who prefer to keep things in-house, versus those who have their ecommerce providers manage this on their behalf.

Tastes will vary on whether or not respondents want to retain the ability to manage their PCI compliance, or if they will simply opt for one of the many ecommerce providers who are able to vouchsafe compliance for their clients. Mostly this will depend on the level of in-house security expertise within an organization, and how far they have been able to advance their data management systems alongside those. The requirements will also vary depending on the level required by volume of card transactions processed on an annual basis, making it more or less appealing to branch out of having a provider manage compliance versus bringing it in-house.

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Key Recommendations

Prioritize flexibility and adaptation within your ecommerce platform of choice.

The next several years promise to continue a break-neck pace of technology development that holds significant opportunities for those who can keep up, while punishing any strategy that remains too static. For this reason, it's critical for B2B ecommerce executives to prioritize the ability to adapt when sourcing for a platform. Not only will this help them meet their own specific needs in the short term, but it will also allow for new features or complementary solutions to be added on, helping to preserve a competitive edge.

Cloud-based, open-source platforms have become the most popular style. Evaluate whether or not a cloud-based system will be beneficial for your organization, as well as the time horizon for an on-premise solution weighing factors including data security, flexibility, and tools provided with a platform.

While there are advantages and disadvantages to both cloud-sourcing and on-premise solutions, many B2B executives have begun to gravitate towards the cloud, as well as open-source tools that have the potential to provide them with a wide range of customizations. It's important for the choice of hosting that ecommerce executives move towards supporting a range of both immediate- and longer-term goals, therefore carefully weighing the merits of platform styles is a must, even for those who find themselves content with their current set ups.

Seek out the means to integrate features that allow for more fluid front-end and back-end development, as well as the ability to make landing pages stickier to consumers through enhanced content and assistance.

An ecommerce site is only as strong as its continued ability to adapt. Feedback from A/B testing, heat maps, and SEO results will all contribute to a better understanding of what works on a page and what should be improved over time. Put yourself in the position to make these changes as easily as possible by considering strategies such as the adoption of microservices architecture.

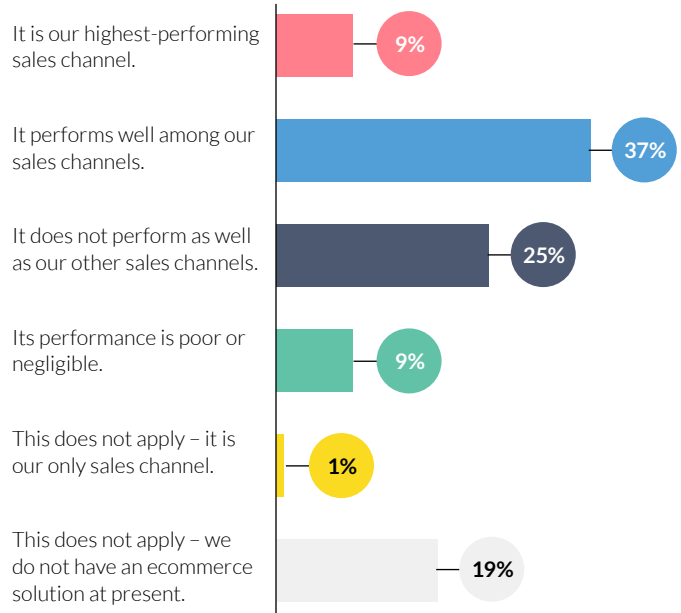**B2B**ONLINE   INSIGHTS Worldwide Business Research   ORACLE NETSUITE

Methodology

The results analyzed in this report were gathered from responses to a digital benchmark survey delivered to members of the B2B Online event community in Q4 2018. 100 executives responded to the survey.
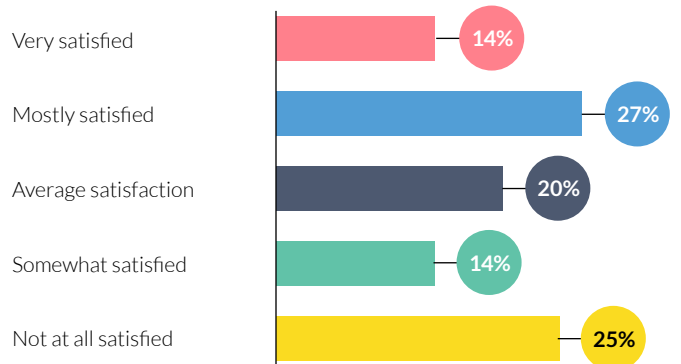
What type of company do you represent?
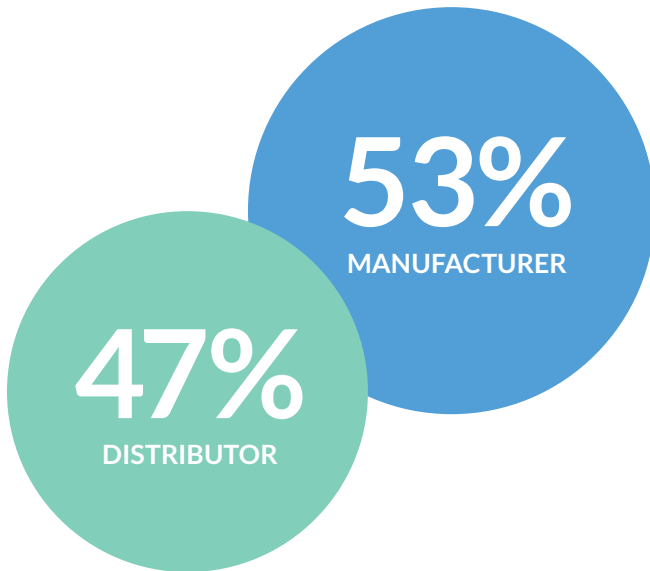
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MANUFACTURER

47%
DISTRIBUTOR

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