cleverbridge

# B2B Ecommerce Solutions:
Position Your B2B Ecommerce
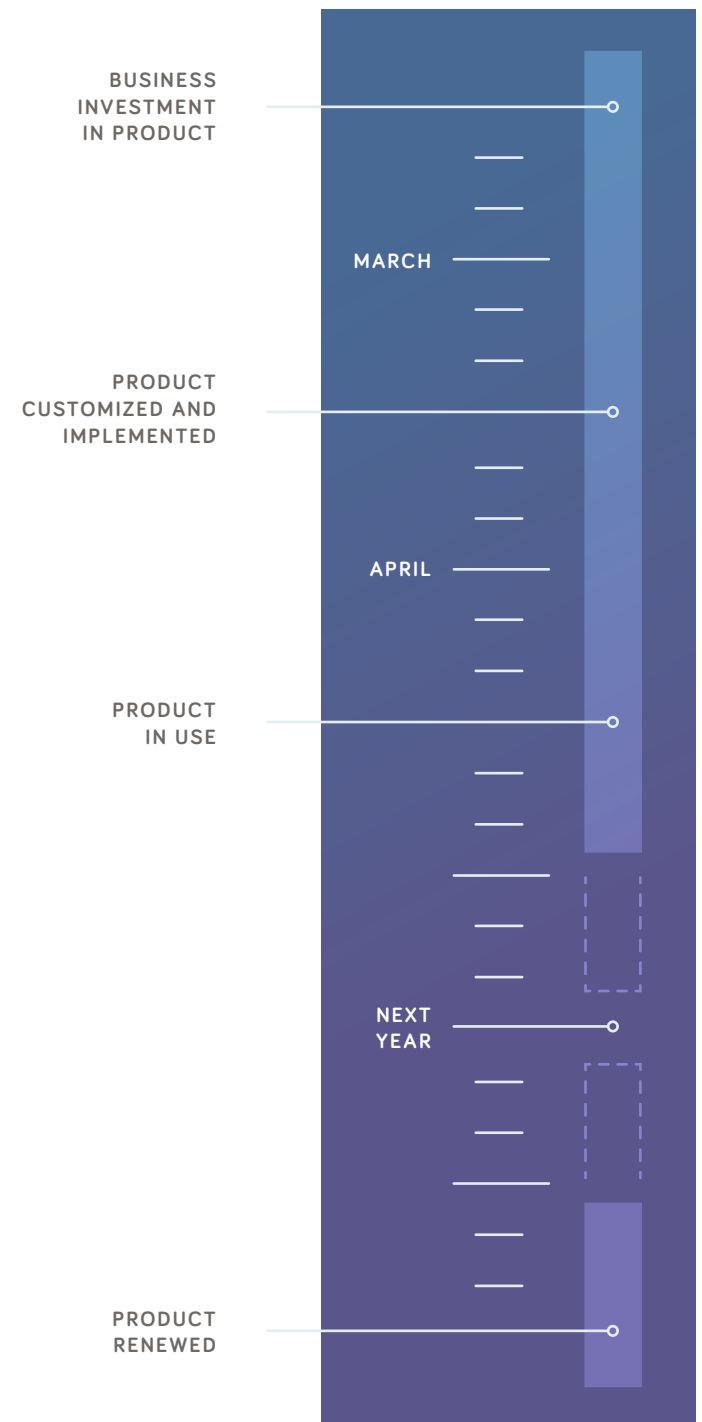Business for Long-term Growth

# Introduction

The B2B ecommerce space has grown in both challenges and opportunities in recent years, from acquiring new business, retaining and growing revenue, reducing churn, and offering a customized experience that fits your customers' specific needs.

Onboarding new customers and implementing your product throughout their organization is the obvious goal that your company's strategy should support. But long gone are the days of the one-and-done sales approach. The key to a successful ecommerce business is to maintain long-term relationships with your customers, in which reminding them of your value through a quality product and consistent support over time is paramount.

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**In this ebook, we'll explore some key ideas that your business can implement to not only survive, but thrive in the competitive B2B ecommerce space:**

- Understanding 7 Key Differences Between B2C and B2B Ecommerce Models
- Bringing Consumerization to the B2B Buying Experience
- Leveraging CPQ for a Shorter Sales Cycle and Increased Revenue
- Growing Your Digital Business Using Renewal Automation

BUSINESS INVESTMENT IN PRODUCT

MARCH

PRODUCT CUSTOMIZED AND IMPLEMENTED

APRIL

PRODUCT IN USE

NEXT YEAR

PRODUCT RENEWED

# 7 Key Differences Between B2C and B2B Ecommerce Models

Much has been said in recent years of the digital business-to-business model (B2B) versus the digital business-to-consumer model (B2C), in terms of scope, customer lifecycle, pricing, product variety, and most importantly, profitability.

Many companies choose to focus their full efforts on one model or the other, while others attempt to hedge their bets by supporting a hybrid of both.

But there are some obvious differences between the B2B and B2C ecommerce spaces, and key concepts necessary to support a thriving digital business regardless of your end user profile.
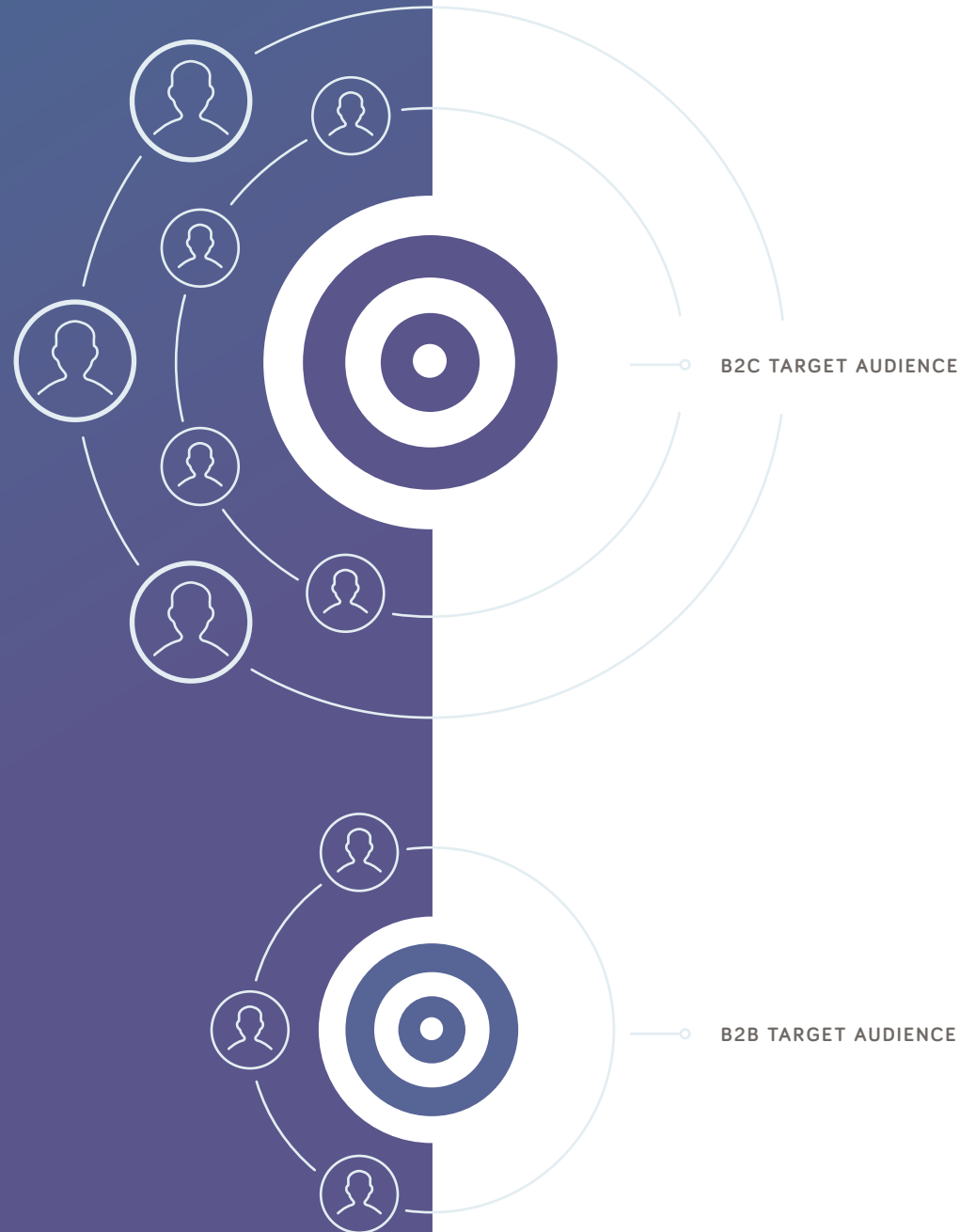
# Customer Profile and Market Size

In the B2C space, the target audience is far broader, so although customer retention is vitally important, the greater focus is placed on customer acquisition, where attracting sheer numbers of interested prospects remains the main stepping stone in the buying cycle. And with a smaller average order value ($147 per order, according to Shopify), casting as wide a net as possible maximizes awareness and demand for the company's product – and ultimately revenue.

The B2B prospect is not only a business, but a specific kind of business, and booking new customers requires hitting a much narrower target. But when you do, it pays dividends.
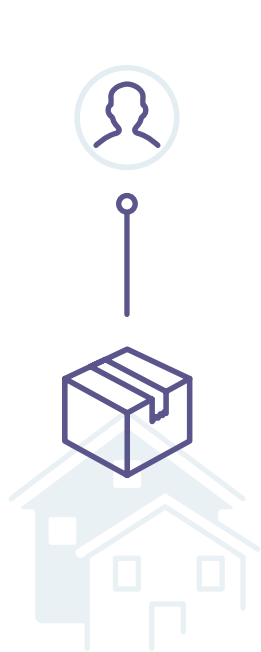
A key B2B target may be a company with a certain volume of revenue ($1-5 million per year, for example), or a business that operates in a certain vertical (real estate, hospitality, medical, etc.). And though a potential lead is likely more difficult to identify and close – with a much longer sales cycle to boot – the average order value is nearly triple that of B2C ($491 per order), and represents significantly higher long-term value.

B2B ecommerce is certainly on the rise, with Forbes valuing it at $6.7 trillion by as early as 2020.

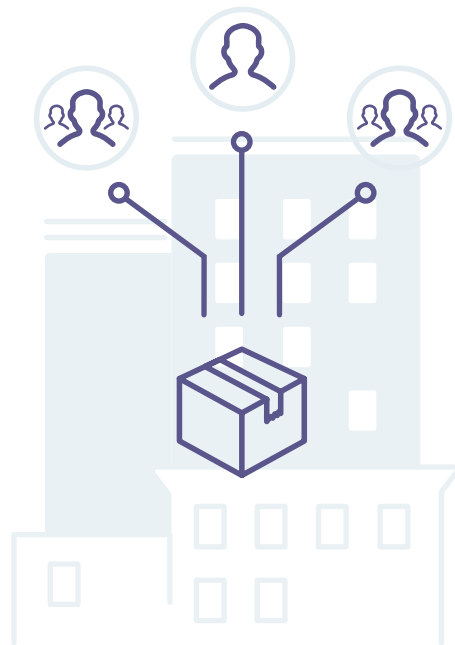B2C TARGET AUDIENCE

B2B TARGET AUDIENCE

# The B2C Versus B2B Buying Decision

B2C and B2B customers approach online buying differently, and each model supports its customers' needs and preferences accordingly.

**B2C BUYING DECISION**

**B2C BUYING DECISION:**

When a B2C customer takes to the web for product search, they're the single decision maker in a fairly simple transaction. They need to know product functionality, price point and to get an overall sense that the product meets their personal – and yes, even emotional – needs. And because a B2C purchase requires a smaller upfront cost and the refund policy is likely simple, there's much less risk involved and therefore a much shorter buying cycle.

The supporting web content that educates the B2C customer on the product – like landing pages, demos, FAQ's, product reviews and even the checkout page – should be exhaustive but not overwhelming. The consumer should feel educated enough to make a purchase decision in as few steps as possible to prevent them from leaving your site at any point during the buying cycle.

This, however, is where B2B gets significantly more complicated.

**B2B BUYING DECISION:**

The B2B research and buying process is much more rigorous, the implementation process operates on a larger scale, and the initial purchase decision likely requires buy-in from more than one person.

For example, if an IT specialist is looking to subscribe to new software for their company, they're going to have to convince any number of other people, like their supervisor, top executives, and even the finance department, among others. Because this is a business decision instead of a personal one, the volume of supporting material should be greater and more detailed. In addition to the traditional FAQ's and product demos, consider displaying a use case that guides each decision-maker based on their particular concern. Educate the CEO on why it's a great investment, the accounting department on why it makes financial sense, and the IT department about the ease of implementation.

Providing the necessary information to a prospect's full slate of stakeholders can help make sure your company becomes its desired service provider. From there, you've onboarded a client that represents a potential long-term partnership.
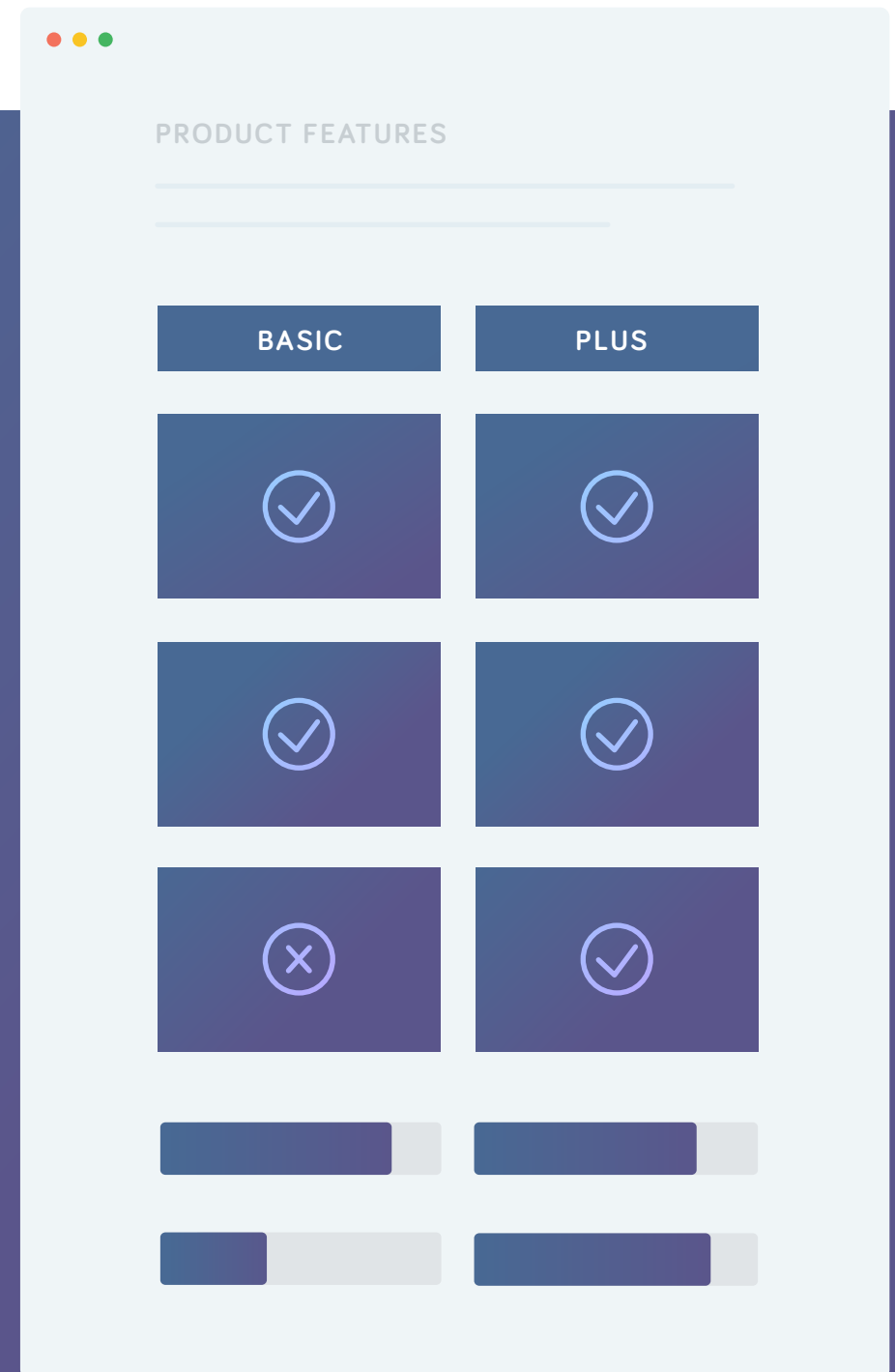
**B2B BUYING DECISION**

# Customization and Payment Flexibility

For a single B2C customer, signing up for enterprise software, a SaaS subscription or other digital goods remains fairly plug-and-play. After conducting research and making the purchase, they've decided the product meets their needs and presumably supports their device. Customization should be minimal.

On the B2B front, whether usage-based, seat-based or any other pricing model, dozens and maybe hundreds of employees in the end user's business may be using the software on a day-to-day basis. It's crucial to allow the end user to customize their experience based on functionality, usage, department, and other metrics that maximize usability.

And just as the product itself should be flexible, so should the payment options.

For B2C, there's often a fixed price for all customers, and the standard credit card and online payment options (such as PayPal) should suffice. But the B2B model needs to host additional options, like purchase orders, ACH payments, payment on credit, budgeting workflows, etc.
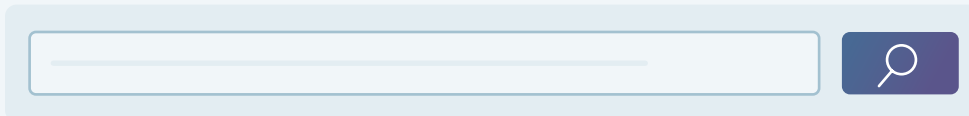
PRODUCT FEATURES

| BASIC | PLUS |

# B2B Web Performance

As a digital business, your website remains one of the most important tools to appeal to your customers. And for obvious reasons, it should function in a way that suits the user.

A digital platform in the B2C place can populate adequate search results with a basic search function that delivers on common keywords and product SKUs.

In B2B, because the slate of product offerings is more complex and niche, the search should be far more tailored to the B2B user profile and company need. A search function based on structured data and more complex algorithms can populate results based on what your customer has bought before, what they'll likely buy next, and provide a forecast for purchases far in the future around various configurations.

In fact, some B2B companies even build out separate microsites tailored specifically to the needs of their top clients, which may bring in the lion's share of yearly revenue.

And for B2B buyers who are used to the company's sales representative as their primary contact point, according to Shopify, streamlining the online search process doesn't replace the sales role, but rather empowers your sales reps to work in a more consultative, rather than transactional role, supporting an even more optimized and personalized experience.

Although B2B customers are fewer, they maintain a much higher value than their B2C counterparts, and can potentially deliver more revenue if your company implements the right structure and the platform to support it.

CLIENT SPECIFIC MICROSITE

B2B PRODUCT DETAIL PAGE AND MICROSITES

# Bring Consumerization to the B2B Buying Experience

Mass adoption of ecommerce technology in the corporate space – particularly software priced on a subscription basis – has powered a surge in B2B ecommerce purchases in recent years.

An email platform, marketing and sales integration, database software, and IT technology fending against security breaches are among the many tools needed to support an efficient, effective organization.

But how do these organizations research and purchase the necessary products?

We've explored what separates the B2B and B2C purchase processes, including market profile, buying cycle and payment options, among others.

But the truth is, convenience and simplicity influence all purchase decisions, whether selling to a customer or a corporate entity. The B2B market's expectations have changed significantly, and the more you can consumerize the process for a business buyer, the more obstacles you've ultimately torn down on the path to purchase.

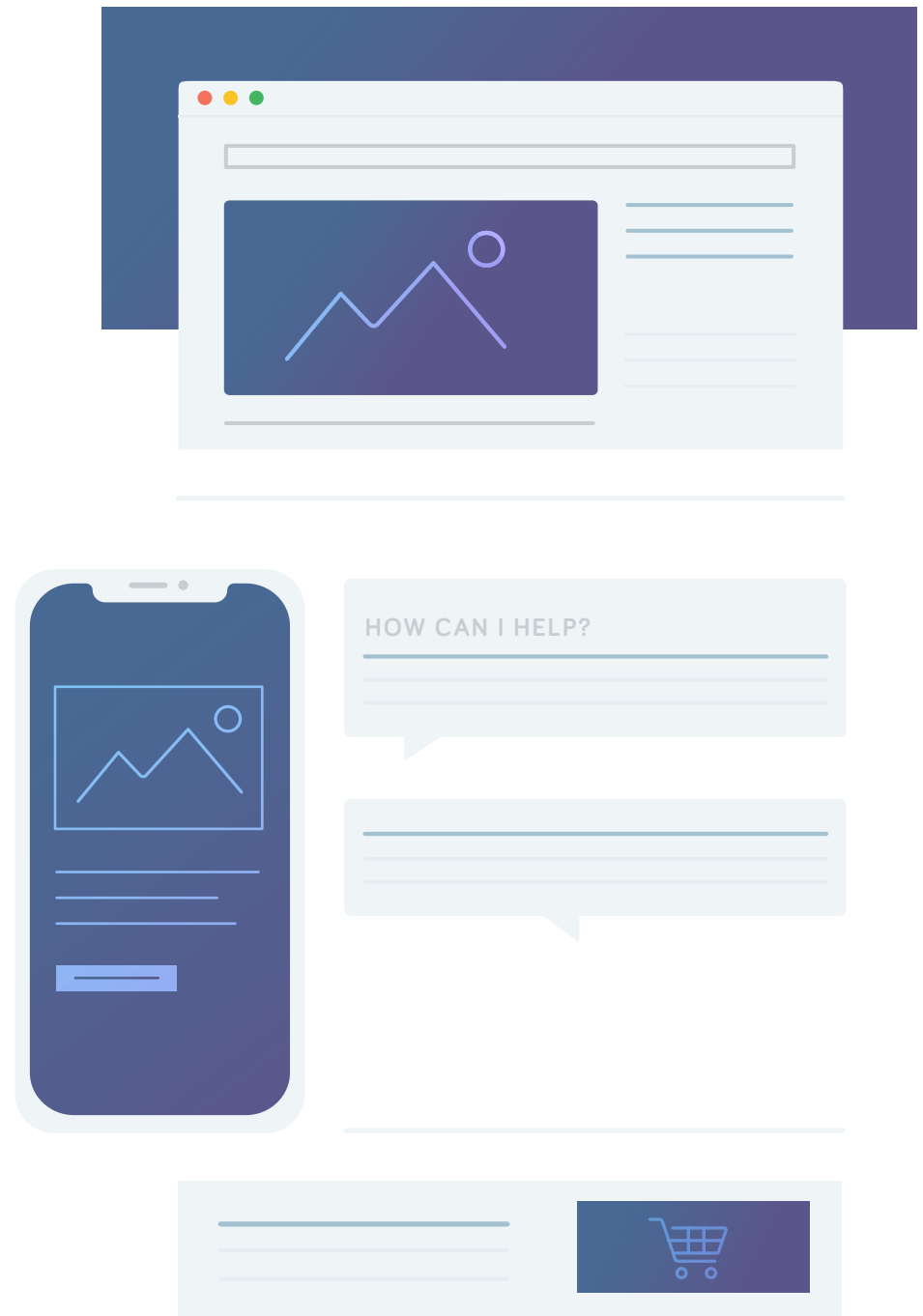# Support Convenience and Self-service Through an Omni-channel Experience

B2C juggernauts like Amazon and Apple have set a new gold standard with the one-click ease of purchase that supports each customer's channel of choice. Though B2B buying is significantly more complicated due to the sheer volume of moving parts, B2B buyers expect a more B2C-like experience through research, sales, purchase and implementation processes.

Some B2B buyers still expect to learn about product features and functionality through the traditional sales rep, but 68 percent prefer to conduct research online, according to a Forrester report. Additionally, 44 percent say that an ecommerce site influences at least half of their offline purchases, the report finds.

The point is, if your company provides only a digital process, or only a human-to-human approach, you will either alienate one half of your prospect queue or the other. It's vital to offer the flexibility of either/or – as well as the more likely hybrid of both – to accommodate a customer's buying preferences.

According to the Forrester report, successful B2B businesses "allow their customer to operate in their preferred channel, seamlessly migrate between channels, and realize a consistently great experience regardless of channel."

After all, in the competitive ecommerce market, companies no longer dictate the end user's buying journey. The buyers do.

# Providing Transparency in Your Pricing

Brand transparency has become more important to customers across all industries, in terms of company values, social awareness, ethics around product manufacturing and perhaps most importantly, price.

In the B2C space, if a company isn't upfront about what a product costs during the awareness stage, whether online or at physical retail, you can bet the customer will seek out one of their competitors who take a more honest and direct approach to their pricing structure.

In contrast, B2B has traditionally thrived on providing more ambiguous pricing information. The more customized and complicated implementation process for the B2B buyer often justifies the seller to delay a quote until later in the conversation. Then, the buyer's commitment to research and investment in building a sales relationship may trigger the sale to close anyway. In poker terms, if you've tossed a good amount in the pot, wouldn't the risk/reward make sense to go "all in" regardless of outcome?

As the B2B and B2C purchase processes continue to bleed together, however, business decision-makers are empowered to expect at least an approximate price based on their company size and software needs – if not an exact price and payment plan.

Today, due to online research and self-service capabilities, the average B2B customer is almost 60 percent through the buying journey before even engaging with a sales representative – and they certainly wouldn't progress that far without knowing cost.

As a B2B seller who's looking to carve out an edge against the competition, it'd be wise to provide this upfront. Host a page on your website displaying your pricing model, or offer it as a downloadable PDF if they enter their email. Once that information is offered, then you can begin a mutually beneficial sales relationship with the prospect.

# Convince the End User as Well as the Decision Maker

When thinking about your marketing and sales targets, a B2C company targets the end user and a B2B business goes after a company's decision-maker. Easy enough. Traditionally this makes sense as you want to market to the person who's making the final decision and opening their wallets.

In the previous chapter, we discussed how targeting a business requires much more complex buy-in with several decision-makers, each of whom you should treat as a customer of your product.
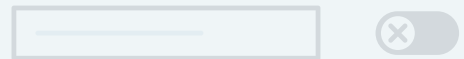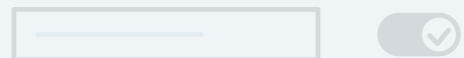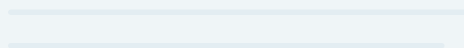
When building email campaigns, blogs and other website content, even when your sales team is on the floor of a conference or networking event, develop separate messaging for each tier of the decision tree, including executives, IT and other departments.

But while the company's stakeholders should be your key targets, the company's employees are the ones who will spend the majority of their day using your software. They may have little say in the final decision, but their group preference may have a significant impact on the decision-makers' thought process.

A freemium, product demo or online sandbox designed specifically for the company's employees may be exactly what you need to show your product's value.

# Make it Mobile, and Don't Forget Your Social Media Accounts

The popularity of mobile search and voice search is on the rise, with Google citing hand-held devices as hosting more than half of searches compared to laptops or desktops. And it goes without saying the importance of social media as a branding tool, even ones like Facebook and Instagram that are traditionally geared toward B2C and personal use.

Mobile search feels like more of a consumer trend, but Forrester suggests a continued rise of B2B search taking place on a mobile device. It'd be wise to develop and deploy an app to make research and purchase as easy as possible for mobile, and at the very least ensure your website is flexible and responsive so you're not missing out on key customer engagement.

And don't be afraid to use social media as a way to push content far beyond the website. Far more people use social media for professional and research purposes than one might expect, according to Pew Research Center. In fact, 77 percent of Americans use social media at work, with 24 percent using it to make connections in their career, and 20 percent use it to identify work-based solutions.

Though the respective ecommerce models of business-to-business and business-to-consumer are vastly different, every business buyer has had online consumer experiences in their personal life, and therefore appreciates the convenience and personalization that comes with them.

The more ways in which you can infuse the B2C experience into your B2B buying cycle, the more customers you'll close and the more likely you'll retain them for the long haul.

CYBERSECURITY SOFTWARE

# Leverage CPQ for a Shorter Sales Cycle, Increased Revenue

As a business-to-business seller, implementing a more consumerized experience into your buying cycle can help improve self-service and product transparency, and empower your sales team to take on a more consultative rather than transactional role.

Ultimately, it's about making an otherwise complicated sales process more efficient for the buyer, in which richer information about your product is available earlier in the buying cycle so they have the requisite information needed for the decision stage.

When quoting a price manually, it's easy to make mistakes or provide misinformation, whether it's an unavailable configuration, an unapproved discount, or some other promise that you won't be able to deliver on once the initial picture comes into frame.

One of the emerging trends designed to mitigate this challenge, especially in the B2B space, is the Configure Price Quote (CPQ) model – a sales tool that enables a B2B seller to quickly provide a cost estimate based on a set of rules according to a prospect's specific needs.

As demand for heightened customization runs rampant among B2B buyers – compounded with volume-based discounts, add-ons and additional features, as well as other requests specific to the user – it's more important than ever to offer a formalized, upfront quote not only quickly, but accurately.

Here are a few of the benefits of CPQ...

# Shortens the B2B Sales Cycle

Regardless of the complexity of your prospect's business, we live in a real-time world, and when a prospect shows a certain level of interest in your product or service, they want a price quote immediately. If you can't deliver, one of your competitors likely will.

The danger in doing so manually comes from delivering a quote based on projections, not hard data, and providing an expectation that you can't necessarily deliver on in the long run.

CPQ delivers an accurate, upfront and immediate quote based on a series of rules that can provide the necessary information to help your prospect make a buying decision. And you can feel confident that it's something you can follow through on as the sales relationship progresses.

In fact, research shows that CPQ software can shorten the sales cycle by a third, from 4.68 months to 3.42 months, on average.

# Adaptability, Customization and Increased Productivity

Considering the more traditional quote model, imagine your team receives all the necessary information from a prospect to develop and provide a quote. Then, the prospect says that one of their variables has changed – quantity, configuration, what they're willing to invest, etc.

In this scenario, your team will have to revisit the quote, which may very well entail starting from scratch, given how the variables within the quote will likely impact all the others. This requires man hours and extra effort that could effectively be applied elsewhere, and the risk of human error or providing incorrect information based on assumption.

The CPQ model works with – as opposed to against – product customization, and can adapt as necessary when the prospect's needs change. This saves money and supports a smaller time commitment. It also provides accurate, updated quotes as needed on a faster timeline

# Easier Upsells

Selling more is better than selling less. It doesn't get much simpler than that. In a more traditional, complicated sales model, the back-end effort to estimate a quote, keep the prospect educated and maintain the relationship often takes so much time, that trying to upsell to a higher-value deal is fairly low on the priority list.

The CPQ model supports a more nimble approach, however, where the quote process is largely automated, so much so that it's far easier to continue to show the value of the product in a tighter feedback loop, with different combinations and configurations of pricing and cost variables. The quicker process in this regard increases the likelihood of leveraging your prospect's interest to close a higher-volume and higher-value deal.

# Multi-department Collaboration, Standardization

It's a constant challenge for your sales team to stay abreast of all updates and practices within other departments of your company. And unfortunately, that's exactly what's needed to provide the most accurate education around a product offer.

One of the benefits of CPQ is that it enables other parts of your organization — including sales and marketing, IT, designers and developers, etc. — to be an integral part of the development of the quote process upfront, so the sales rep can focus on the prospect relationship and less on managing the configuration.

The CPQ model allows cross-collaboration across your enterprise, allowing you to streamline processes and create a much more communicative experience for the employee team, as well as a more value-based, tailored experience to prospects and clients.

As the ecommerce market becomes increasingly competitive, meeting your customer where they are — and not where *you* are — is the key to success in terms of retaining customers and continuing your company's growth.

According to Gartner, sales representatives spend less than 45 percent of their time selling, and in some cases less than 10 percent maintaining active relationships with their prospects and customers. The rest is often allocated to grunt work, administrative tasks, travel, etc.

Identifying your prospect's needs and configuring a quote quickly and efficiently leveraging the CPQ model can help your business grow sales by 10 percent over your current year-over-year growth, according to Gartner.

Tailoring the buying process to customer preference should be one of the key tactics that your sales team uses to close new business, and implementing the CPQ model can be a vital part of your company's success.

**CONFIGURE** → **PRICE** → **PRICE**

# Renewal Automation: Grow Your Digital B2B Business

The adage that retaining existing customers is more valuable to your business than acquiring new ones is particularly true in the B2B space. And setting up a process to increase the likelihood that your customers will renew their contract and ideally expand your product within their organization is vital to the growth of your business.

As much as 67 percent of the buying cycle occurs online without human interaction, according to Cisco Systems, with projections forecasting that number to increase to 85 percent by 2020. As ecommerce competition grows, automation driven by data within the buying cycle – particularly for renewals – has become a large part of the success equation.

# Low-dollar / High-volume and the 'Long Tail'

Every one of your customers is important to your business, but as a digital company, manually moving a large volume of low-dollar customers through the buying cycle and renewing their business can require significant time, money and manpower.

Every department in your company is a finite resource. This is particularly true for your marketing and sales teams, as well as other client-facing departments. Because of this, you want to make sure you're focusing your resources toward the most high-value goals.

For example, if your company has 50 clients, 10 of which bring in significantly more revenue than the lower 40, you can auto-renew the smaller-value clients, and enable your sales and customer success teams to give your higher-value clients a more personal touch.
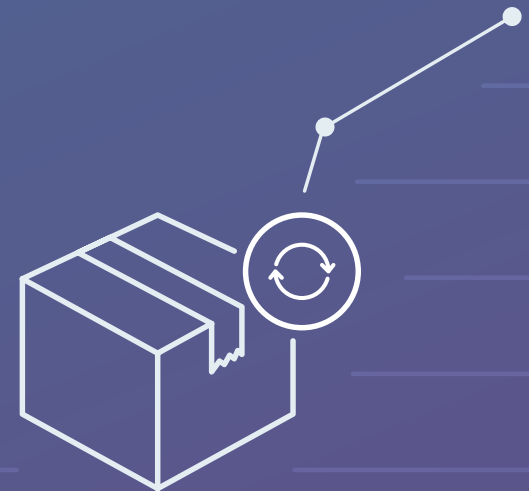
3D Robotics' Chris Anderson coined the term "long tail," meaning that often times ecommerce companies will sell thousands of popular items, and possibly hundreds of thousands of more unique or niche items. Over time, the larger volume of unique or niche sales may eclipse the higher-value business.

In short, automating your long tail can significantly impact your business over time and help to grow your revenue stream.

# Keep Track of Your Customer Renewals

Though you may have a notification process in place when it's time to renew a customer contract, it's still difficult to organize all the necessary information to do so. This includes navigating your sales database to identify customer contact points, the customer's product configuration, prior promotions and discounts, and other important elements of the original deal or previous renewal.

Implementing a data-driven auto-renewal process triggers a campaign that harnesses your sales team with the most up-to-date and accurate customer information, so they can focus on the sales relationship rather than chasing down data. This can be accomplished by using a full slate of APIs and a quick and effective Integration Services process that can organize your disparate systems into a single efficient unit.
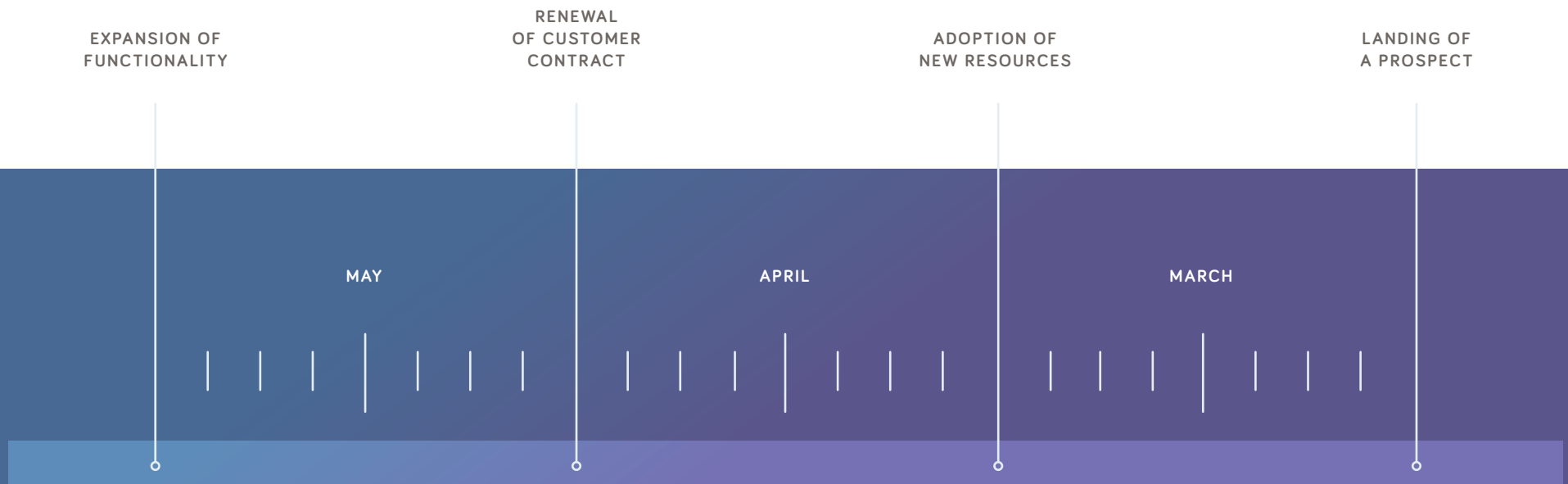
# Land-Adopt-Expand-Renew

"Purchases are no longer the large up-front investments they once were, but are instead made up of lower-cost subscriptions and value-add services," according to the Technology Services Industry Association (TSIA), an organization that has pioneered the Land-Adopt-Expand-Renew (LAER) model adopted by digital businesses worldwide.

Due to the growth of the subscription-as-a-service model, once you've landed new business, your profitability and success is determined largely by your customer adding new seats, usage, services or features, and overall expanding the use of the product throughout their business over time. And of course, you want them to re-up their contract when the time comes.

TSIA outlines the LAER model in which Land refers to the closing of a prospect into a customer, and Adopt includes the resources necessary to help the customer effectively implement the technology, usually a customer success team or a series of education services.

Following the adoption phase, Renew entails the process of re-upping a customer contract by "communicating the value proposition of your technology to the customer." And the final stage is to Expand that technology throughout that organization through upsells, cross-sells and adding additional features and functionality.

This is an effective process to grow your revenue, but can certainly require costly manpower when it's done manually. This is where an automation system becomes extremely valuable.

EXPANSION OF FUNCTIONALITY

RENEWAL OF CUSTOMER CONTRACT

ADOPTION OF NEW RESOURCES

LANDING OF A PROSPECT

MAY

APRIL

MARCH

# SmartBear Success

Companies like SmartBear have leveraged cleverbridge to increase its product renewal business, which was previously managed through a manual purchase order process. Using cleverbridge's Salesforce integration, transaction data from the ecommerce platform is automatically pushed to SmartBear's Salesforce instance, enabling effective transaction and opportunity management for the company's sales team.

"Rather than having to email back and forth with customers at renewal time, our account reps can simply setup the renewal product and pricing, generate a link through the cleverbridge Salesforce integration, and send to the customer for easy renewal," said Jim Schuchart, Vice President, SmartBear Software. "Our sales team loves it because it has drastically streamlined the renewal process and allowed reps to spend more time connecting with customers instead of doing administrative work."

Working closely with the SmartBear team, cleverbridge designed and developed a Configure, Price, Quote (CPQ) process, enabling SmartBear's sales team to generate, issue and process instant customized customer price quotes while incorporating pricing and discounting rules. Seamlessly integrated into the cleverbridge platform and SmartBear's Salesforce instance, the CPQ process accepts a variety of online and offline payment methods to meet the unique needs of business buyers, and sends notifications to sales representatives when a customer order is processed. Since implementing the quote-to-cart process, SmartBear customers that renewed without sales assistance increased by 20 percent, drastically reducing retention costs and increasing efficiency. On average, SmartBear saves 18 hours per month per sales representative, freeing up sales and renewal teams to focus on higher-margin solution selling and value-added services selling.

Key strategies like consumerzing the B2B buying experience and offering a Configure Price Quote model are important in moving your prospect more seamlessly through the sales funnel.

Implementing renewal automation can complement these key strategies, supporting long-term relationships with your customers.

Download the full case study

If you're interested in learning more about how you can grow your global online revenue, just click below.

cleverbridge provides ecommerce and subscription management solutions for monetizing digital goods, online services and SaaS. Our cloud-based ecommerce platform simplifies recurring billing, optimizes the customer experience and offers comprehensive global compliance and payment capabilities. Leveraging cleverbridge expertise, technology and services, our B2C and B2B clients acquire more customers, improve retention and grow their revenue in international markets. cleverbridge is headquartered in Cologne, Germany with offices in Chicago, San Francisco, Tapei, and Tokyo.

To learn more about cleverbridge, please contact inquiry@cleverbridge.com or visit www.cleverbridge.com

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