Liferay

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B2B2C ECOMMERCE: A GUIDE TO

OVERCOMING 3 KEY CHALLENGES

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WHAT IS B2B2C ECOMMERCE?

Who you know is more important than what you know, and when it comes to eCommerce, who you sell to is just as important as what you're selling.

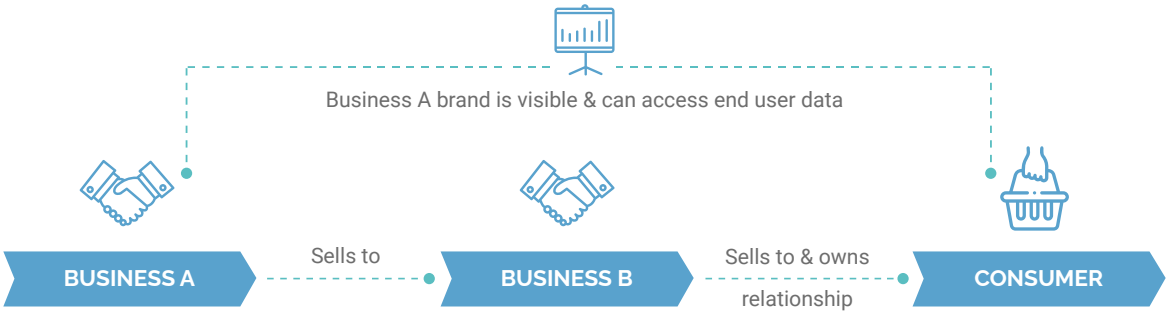
Are you selling to consumers? Are you selling to other businesses? What about selling to consumers with the help of other businesses?

That's where the business-to-business-to-consumer, or B2B2C, eCommerce model comes into play. Rather than just being a mouthful of an acronym, B2B2C eCommerce aims to combine the best of both worlds of B2B and B2C eCommerce.

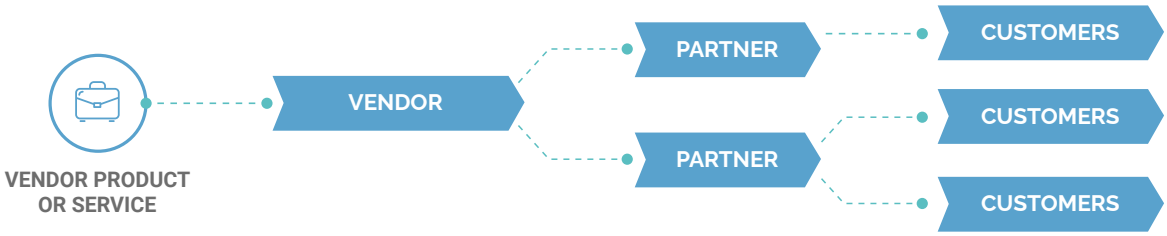
In the simplest terms, B2B2C is an eCommerce model where businesses access customers via another business but can still interact directly with customers under their own brand.

Isn't that just a channel partnership? Well, not quite, as customers know they are buying from the business. However, this doesn't mean the middle man is fully cut out - instead, both parties work together to serve the end customer, which adds up to a win-win.

B2B2C Model



Channel Partnership Model



BENEFITS OF B2B2C ECOMMERCE

The B2B2C eCommerce model benefits businesses in a variety of ways, which includes enabling them to offer a frictionless buying experience where customer experience is the priority, bringing greater customer lifetime value. This is a benefit on the B2B side of things in particular, where the State of Commerce Experience survey found that the most common expectations from B2B online buyers include the ability to seamlessly find relevant products through search results, access customer reviews, and easily navigate the site to find product information. These are all hallmarks of good B2C buying experiences.

This model also empowers your customers while reducing what it costs you to serve them. For example, self-service portals, which are often part of a solid B2B2C eCommerce strategy, have been found by Forrester Research and Oracle to reduce costs by as much as US$11 per call.

Perhaps most importantly though, a B2B2C eCommerce strategy helps a business keep up with the Joneses. Customer expectations for the online shopping experience have never been higher and providing the seamless experience that B2B2C can is becoming a must-have, not a nice-to-have. After all, Industrial Ideas found that almost 75% of respondents said improving the customer experience was crucial for sales and marketing success in manufacturing.

REAL WORLD EXAMPLES OF THE B2B2C ECOMMERCE MODEL

Nowadays, the B2B2C eCommerce model can be seen across the world and across all kinds of industries, but it has become particularly prevalent and advantageous in retail and manufacturing.

In retail, Instacart stands out as a solid B2B2C eCommerce example. The startup allows customers to enjoy the grocery shopping experience from anywhere they have an internet connection, something that's become particularly important in the era of COVID-19. Grocery stores don't have the tech capabilities that Instacart does to offer this online experience, but they do have the inventory, staff, and brand recognition that Instacart lacks, making this a win-win partnership.

Tuff Shed, a manufacturer and installer of storage buildings and garages, is one example of a manufacturer that has benefited from B2B2C eCommerce. They work with Home Depot, who provide their customers access to Tuff Shed's visual product configurator on in-store tablets. They can design and then purchase a custom product, with the data going directly to Tuff Shed's manufacturing department for manufacturing and shipping. The customer experience is made seamless by going through Home Depot, while Tuff Shed still owns the customer data.

COMMON CHALLENGES ASSOCIATED WITH B2B2C ECOMMERCE

1. Leveraging Data to Gain Useful Insights

To achieve success in B2B2C eCommerce, maturity is a must. Digital maturity, that is.

It's a challenging proposition, pivoting to a new model of selling when previously you may have only been a B2B or B2C business. If your organisation sold with both elements previously, they were likely siloed which can make it even more challenging.

To properly assess how the two sides of an organisation are interacting and impacting upon each other, you'll need access to a lot of data. Of course, access to data alone will leave you with little more than a few big spreadsheets; you also need the digital maturity to analyse said data and leverage it to gain insights.

Jerry Smith, the COO of Ogilvy Group Asia and the CEO of Ogilvy Consulting Asia, sums it up well when it comes to making use of data:

"What organisations lack is not the amount of data. It's what they do with the data. It's not purely for reporting and it's not just about insights, it's what you do with data to create that brings real differentiation."

To achieve that differentiation, data sharing is crucial and it has to be in real-time. Everything from customer records, stock, pricing, loyalty programs, and more have to be integrated across the business for a B2B2C eCommerce approach to work and ensure the customer experience is not fragmented.

So how do successful organisations go about doing this?

Solution - Integration Platform to Unify All Data Sources

The first and most important step is choosing an eCommerce platform that has the ability to deal with the large and complex data issues you'll be facing. In short, what you want is an integration platform.

When an organisation is hamstrung by too many disparate and disconnected systems, bringing them into a unified system saves time and resources through eliminating silos, connecting databases, and shortening business processes. This is ideal for a transition to B2B2C eCommerce, as an integration platform will allow you to move with efficiency while also providing the stellar customer experience that is at the heart of B2B2C eCommerce.

Some of the world's biggest and most well-known manufacturers have fully bought into the need for data fluidity and connections across different parts of the business, including Volkswagen, which uses its own bespoke cloud platform to combine data from all machines, plants, and systems across the group's 122 facilities, according to Deloitte. The platform communicates all this data in real-time to help improve processes across the business.

2. Delivering Consistent and Seamless Customer Experiences

Another challenge on the road to achieving B2B2C eCommerce greatness lies in delivering the customer experience. After all, if one of the main advantages of going B2B2C is being able to provide a seamless and consistent customer experience, you have to live up to the billing and actually deliver.

This means every customer in your new B2B2C model needs to enjoy the same flexibility that we've all (rightly) come to expect in our day-to-day lives as B2C customers. That means offering convenient and diverse payment options, a mobile-friendly experience, as well as excellent online product discovery. Remember, even traditional B2B buyers are leaning heavily on online content to make their decisions, as Forrester research found that 62% of B2B buyers develop a finalised vendor list based solely on digital content.

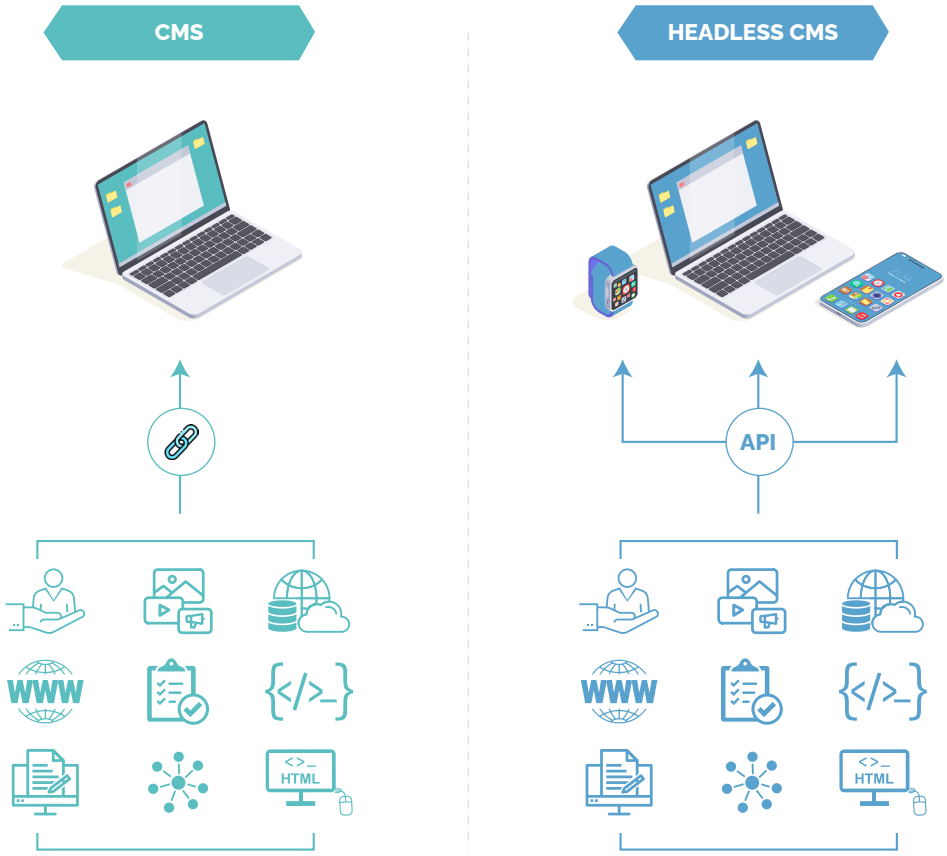
Beyond just the online experience though, truly successful B2B2C businesses also have a solid omnichannel approach to provide a truly seamless customer experience across channels. An excellent omnichannel experience means placing the focus on the customer by using your data to provide a personalised experience when serving customers content across the customer journey, as well as ensuring the experience is seamless across touchpoints, whether they be online or offline.

A self-service portal is one way to go about enhancing your omnichannel experience. This customer- or employee-facing website or app can help users resolve issues or complete tasks without requiring external assistance. Not only do they empower your customers, they also give customer service reps more visibility to enable them to support customers more effectively for complex issues and provide that seamless experience.

Solution - Flexible, Agile, and Malleable Platform

The biggest key to providing this seamless customer experience once again comes back to your choice of eCommerce platform, and more specifically, how flexible and agile it is.

As mentioned before, your platform should have you set up to gather and analyse a lot of data, and part of that data collection and analysis should include customer and supplier feedback. After collecting and analysing that feedback, you'll want to be able to make changes to your products and the experience you offer, and this is where having an agile platform is crucial. A headless CMS is one way to go when it comes to content management, as you'll be able to make changes quickly and at scale across multiple channels.



Liferay's work with Bosch Smart Home is one example of a retail business that prioritised a flexible and agile platform and was therefore able to deliver a great customer experience. As a company with a presence across borders, the flexibility and integration capabilities of the platform were key and allowed Bosch to roll out in Germany, Austria, the UK, and France. With online shopping, returns handling, warranty processing, service chat, installation videos, and much more available, the platform ensured Bosch was able to adapt quickly to the different requirements in these different markets.

3. Improving Supply Chain Agility

It's no secret that supply chains have taken a battering since the onset of COVID-19 and the way products are moved across the world has likely changed forever. This logistics crisis has highlighted how important supply chain agility is for any business, and it's especially crucial when it comes to B2B2C eCommerce businesses.

This is because, let's face it, B2B2C is more complex than having your B2B and B2C sales siloed. Nothing worth having comes easy though and while the B2B2C model can bring lots of benefits to businesses, it will increase the complexity of your logistics. In a solid omnichannel B2B2C eCommerce model, your supply chain will have to be agile enough to handle orders coming in online, via one-click checkout and more, as well as process returns and refunds in new ways. You'll also likely be dealing with a lot more data in your supply chain than before as more and more B2B2C transactions go digital.

Solution - Native B2B and B2C Functionality

The most elegant way to head off any supply chain issues at the pass is using an eCommerce platform with both B2B and B2C native functionality. What this means is that a system designed to manage B2B relationships won't be as effective at delivering B2C experiences, and vice versa. Specialised functions and design are needed to achieve those two different goals.

What consumers love about the likes of Amazon is how easy it is to use, from its effective search capabilities to its personalised recommendations. Amazon is able to do this so well because the company has invested time into understanding the way its customers buy products.

Amazon is also a great example of a distributor that has great supply chain agility. For years, the company has altered price and inventory levels in real-time for any number of reasons, including how competitors are tackling the market, demand levels, and of course, seasonal variations. They do this with techniques like demand forecasting and placing inventory in the best place possible across distribution networks. A solid platform with B2B and B2C native functionality should allow you to start employing some of these techniques.

KEY CONSIDERATIONS FOR SWITCHING TO B2B2C

1. B2B2C Can Drive Efficiency

When done well and for the right business, a B2B2C eCommerce operation can really help drive organisational efficiency.

As demonstrated above, committing to B2B2C should leave you working with a powerful and flexible platform which, when used to its full capabilities, should help you create efficiencies across the business.

2. B2B2C Can Keep Customers Happy

With excellent customer experience at the heart of a successful B2B2C model, it follows that doing it right should make your customers happy.

Your customers should be seeing their high expectations for a B2C-like experience met, thanks to the seamless customer experience you're now offering. This is especially crucial in retail, where customer expectations have soared amid the pandemic. For example, a report from Intercom found that "73% of support leaders say customer expectations of excellent service are rising".

3. Platform Choice is Key

A sober assessment of what your business needs to make a B2B2C transition, along with the capabilities of the platforms on offer, is crucial to success.

To grow in an ever-more competitive market, providing digital experiences that customers and business partners can't walk away from is key. The time to get ahead of the competition and scale revenue with an innovative digital experience strategy is now.

READY TO LEARN MORE?

The world of eCommerce is a fast-moving one and it always pays to keep educating yourself, so why not check out another e-book?

To learn about three ways eCommerce improves B2B customer lifetime value, download the Liferay e-book here.

ABOUT SMARTOSC

With more than 15 years in operation, SmartOSC is an award-winning digital commerce agency of 850+ experts, across 7 countries including Vietnam, Australia, Singapore, Japan, Thailand, US, and the UK. With deep experience across most enterprise platforms and technology stacks, our customers choose us because we can solve complex implementations at scale, backed by 1,000+ successful projects launched. For more information about SmartOSC, visit our website smartosc.com or get in touch here.

ABOUT LIFERAY

Liferay makes software that helps companies create digital experiences on web, mobile, and connected devices. Our platform is open source, which makes it more reliable, innovative, and secure. We try to leave a positive mark on the world through business and technology. Hundreds of organisations in financial services, healthcare, government, insurance, retail, manufacturing, and multiple other industries use Liferay. Visit us at liferay.com or contact us here.