



OPTIMIZE /

From Good to Great

Industry experts offer tips to help amp up the B2B e-commerce experience. *by Susan Bloom*

STATISTICS REVEAL THAT B2B e-commerce activity is experiencing a meteoric rise, going from a \$1.63 trillion industry today to one that's projected to more than triple to \$4 trillion by 2025. But you already know that.

While B2B e-commerce was more of a novelty five to 10 years ago, time has shown it to be an increasingly viable and necessary medium in today's highly connected business landscape and a pool that even the least tech-savvy distributors have dipped their toes into. Wherever your firm falls on the e-commerce spectrum, the real question is: Are you optimizing your e-commerce capabilities for maximum sales success and growth?

"It's estimated that e-commerce currently represents 10% to 15% of distributor sales, and we believe that it will grow to 20% to 25% of their sales over the next five years," said Justin King, vice president of B2B strategy and "chief evangelist" at Salsify, a digital shelf consultancy.

Barry LaBov, founder and CEO of LABOV Marketing, Communication, and Training, is even more bullish on the growth of digital B2B. "In the next five years, we believe that at least 50% of distributor sales will come

through e-commerce," he predicted. "The efficiency is too attractive for even the less savvy to ignore."

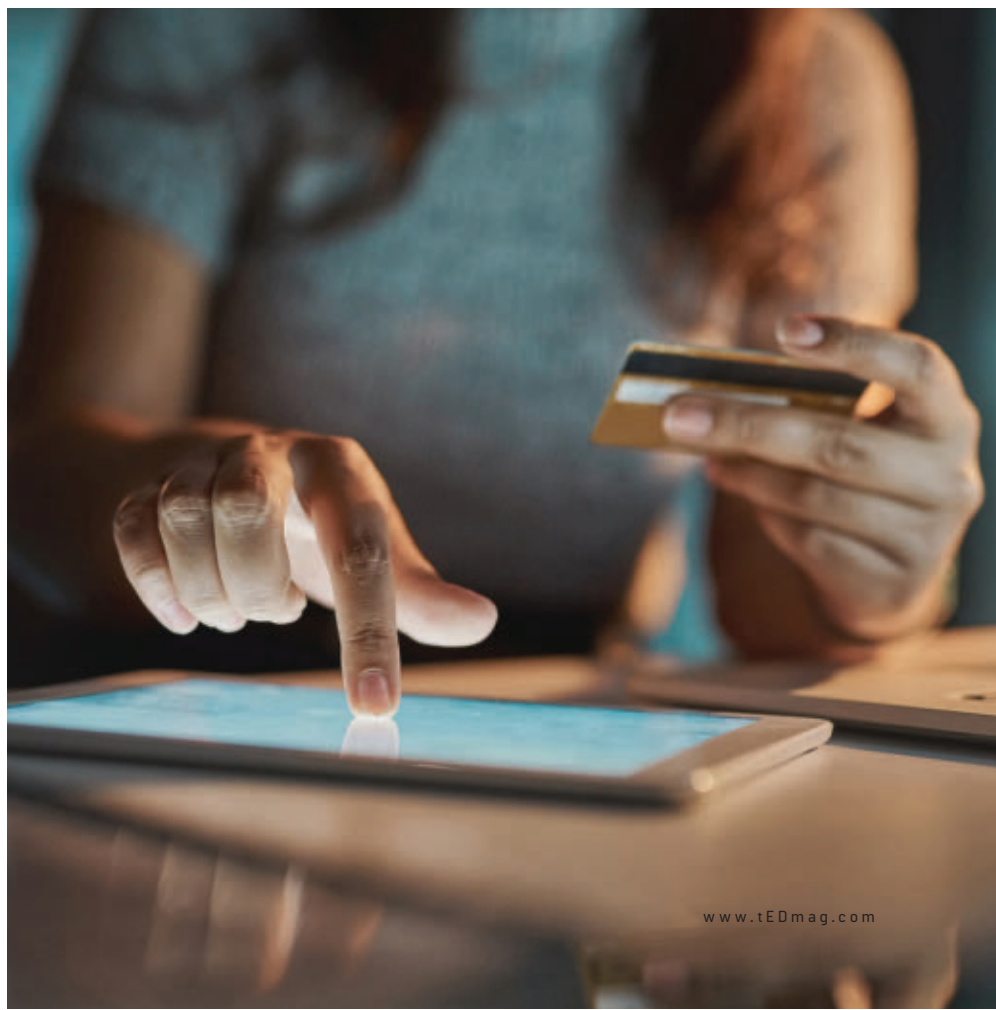
So how can electrical distributors make the most of this movement?

Here, King and LaBov, along with **Susan Merlo, CEO of Next Level**

iMedia Marketing, share how distributors can bolster their e-commerce strategy to capitalize on the B2B e-commerce revolution and explain why there's no time to wait to board the e-commerce train.

Q: Though e-commerce is growing rapidly, 52% of B2B shoppers report being frustrated with the online buying experience and 90% say they'll turn to a competitor if they're unsatisfied with a provider's digital channel. What have you found to be the most pressing issues or grievances B2B customers (like contractors) have with their electrical distributors' websites today?

King: Based on my interviews with contractors, trust remains the primary issue; they don't trust that the information they're seeing online (e.g., product images, descriptions, attributes, and potential applications) is correct.



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The Last Word

Below, our experts share some final thoughts on the opportunity a strong e-commerce site can offer an electrical distributor and why distributors shouldn't wait to seize the day:

- **Tune in to the customer.** "Capitalizing on e-commerce is a process that starts with understanding your customers," said **Susan Merlo of Next Level iMedia Marketing**. "It's about finding out what your customers want and giving it to them as well as understanding how your customers are interacting with your entire Internet presence. By gathering data on your existing customers' activity on your website, you'll have a greater understanding of what they're looking for based on the solutions, services, and products they're reading about or searching for; data tied to articles read through social media and email clicks will add to this understanding as well. Without this data, you're missing a huge opportunity to gain a greater share of their spending. This capability has been around for many years now and is very easy to do using your CRM and a reasonably priced marketing automation system."

- **Reflect your core values.** "E-commerce and technology will only grow in the future and the distributor that keeps the customer at the forefront of their decisions will enjoy greater success," noted Barry LaBov of LABOV Marketing, Communication, and Training. "There are many ways to slowly evolve into a more technological company with the off-the-shelf and custom options available. The goal is to ensure that the online experience you offer customers reflects your company's core values and is something you're proud of."

- **Meet your customers where they are.** According to Salsify's Justin King, "New entrants into the B2B realm like business.walmart.com should signal a strong move to digital by B2B buyers. Expectations have shifted, and now more than ever, the companies that embrace digital will be the ones to survive the next 10 to 20 years. For successful B2B, however, it's important not to put too much weight on the transaction itself but rather to understand the bigger picture, which is that digital solutions should assist our customers' discovery, finding, and decision-making processes. The purchase itself can happen in any way the customer prefers, whether that means EDI, a punch-out solution, or some offline method." —S.B.

Contractors also state bigger problems with bad pricing, inaccurate inventory, and lack of shipping cost and information. Without trust, you'll have a lack of adoption and traction.

LaBov: Too often, a website experience is created to make it easier for the distributor and not the customer. Dropping thousands of SKUs into a site with little effort put into how to make it clear and intuitive is going to result in disappointment. Another issue is that the human touch is missing in the experience. Offering a toll-free hotline to help the customer in their buying decision or in their product execution is critical; a website that offers only an email (with no address or phone contact) is off-putting. We suggest that distributors not confuse themselves with Amazon, which is a brilliant experience but offers no expertise or human connection—that works well if you're purchasing a book or an appliance. More access to expertise is needed for complex products and utilizations. At the minimum, offer a chat option with a real person who can lend valuable expertise.

Merlo: There are a lot of things buyers expect from your website that, when not provided, can be forgivable, like not having certain functions or not providing certain information. But making it difficult for customers to place an order on your site can be perceived as disrespectful, as though you don't care about their business or having them as a customer. You don't want a buyer thinking, "I guess they don't want my money. I'll take my money somewhere else where I'm appreciated." In addition, customers aren't necessarily measuring you against your competition (e.g., other distributors' websites), but rather against their last buying experience, regardless of who the vendor or industry was. If you're not offering certain features that are extremely common, like intuitive navigation, a search function that delivers good results, order/billing history, project list cre-

ation, etc., you won't fare very well with your buyers.

Q: How can distributors enhance their search capabilities?

King: Great content and search isn't a project—it's a program and an initiative that distributors should improve on every day, week, month, and year. As customer needs change, new products and categories are introduced, and new trade slang develops, search and content need to improve and adapt with those changes.

Q: How can distributors enhance their pricing and availability features?

King: While product content is important, supply chain data and pricing are actually more critical; to engage in a digital platform, contrac-

tors need to be able to trust the price, availability, and shipping costs shown to them. Distributors should place priority on ensuring that the accurate weights, dimensions, case packs, pricing, and availability are well integrated into their digital platform.

Q: How can distributors enhance the quality of their quotes and PO features?

King: Configure, price, and quote (often referred to as "CPQ") are often left out of the digital experience because they're difficult to get right. Most contracts start with creating quotes for their customers that are then approved. To create a quote for their customers, contractors must configure and quote the products from their distribution partners. Distributors should seek to under-

stand the customer journey and how to digitally enable parts of that journey to make it easier for customers to do business with them. To address this, some distributors are integrating with their customers' quoting tools or even building quoting tools for their contractors to make the quoting and buying process a seamless experience. Those quotes can then be converted to orders with just a single click.

Q: Are there any other services/capabilities/functions distributors could offer that could position them for online success in the coming five years?

Merlo: Anything a distributor can do to differentiate themselves from other distributors will help them tremendously, especially online. We recommend to all of our clients that



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their sales and marketing teams sit down together and take a full inventory of all their value-adds—what they are and what benefits they offer to each customer segment. They should then use this information to create online sales messaging to stand out from their competition. For distributors that sell in marketplaces, especially Amazon, owning the buy box is crucial. Two of the most effective ways to do this are by either private labeling your products or bundling your products—two strategies that have been around for as long as Amazon has been selling books, and they still work well.

LaBov: Overall, “humanize” your experience by offering up live support or chat. Consider creating a configurator to help the customer understand how they can accessorize or equip a product and include videos on as many products as possible to show how to assemble or use them. Tell the story behind your company—the “why” behind what you do that makes you unique—because you’re more than just a collection of product offerings. Listen to your customers, learn from them, and respond to what they’re seeking—e.g., do they want access to your expertise/in-depth assistance or do they want an expedited buying experience?

King: Many mainline distributors are beginning to deepen their relationships with suppliers and build collaborative tools that help them both serve the end customer; these include the ability to ingest content directly from their suppliers, such as pricing, supply chain details, marketing information, and e-commerce-related product data. In addition to exchanging content, distributors and suppliers can communicate on new products/categories and changing customer requirements. Technology is enabling distributors and their suppliers to collaborate outside of email and define clear processes between both parties. At the same time, we believe

that AI technology like ChatGPT will be able to handle more and more solutions and problem-solving for simple break-fix Q&A as well as complex design issues. Distributors will train AI technology for their unique specialties and it will answer just as well as—or even better than—an employee.



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Q: Electrical distribution firms nationwide reflect varying degrees of involvement/savviness with and investment in e-commerce. What final advice can you offer distributors relative to the way they approach their e-commerce capabilities and why e-commerce should be an important consideration?

LaBov: No doubt, e-commerce will continue to grow in all B2B segments. We suggest approaching this with the customer in mind. Rather than wait years to offer any e-commerce capabilities as you attempt to create the perfect site, why not dip your toes in the water by offering select products online (ones you can easily fulfill)? It’s not about perfection, but rather about progress, and that begins with creating an experience that reflects your core values as a distributor.

For example, if you’re basically a warehouse with little focus on expertise, a supermarket approach to e-commerce would fit. If, however, you’re the acknowledged, trusted expert, by all means share that by including white papers on particular products and by offering access to your brain trust through the phone or chat. At a minimum, the goal must be to not lose business due to the impersonal world of e-commerce.

King: In January, Walmart.com entered the B2B space via the firm’s business.walmart.com site. According to the source DigitalCommerce360, “Walmart’s newest e-commerce site is targeting small and mid-sized businesses and not-for-profit organizations with more than 100,000 items ranging from office supplies to auto-

motive and heating and air conditioning products. A Walmart Business+ membership program offers free shipping and other perks.” Every major retailer from Home Depot to Amazon and now Walmart understands the opportunity to serve small businesses and contractors with digital solutions.

Millennial and now Gen Z buyers are demanding online solutions that take over every part of the customer experience—from search, discovery, and checkout to helping them solve problems on the job.

Merlo: The most crucial piece of advice I can offer is to make sure that whatever you invest in is scalable; don’t allow your company to be locked into something that will be obsolete in 18 months. Investigate fully and first-hand other distributors’ success stories and trust those success stories over trusting a vendor or consultant. Conduct top-level due diligence, set realistic short- and long-term goals that are measurable and attainable, and monitor your path toward those goals every step of the way. ■

***Bloom** is a freelance writer/consultant who has spent 25 years covering the lighting and electrical products industry. Reach her at susan.bloom.chester@gmail.com.*