### **B2B** Commerce

work digitally and customer-oriented.

Inspiration – expert tips – use cases for manufacturers & wholesalers

#### Face the change:

5 reasons why B2B platforms are the only way forward

#### Recognize opportunities:

Promising platform strategies & inspiring practical examples

#### Actively shape the way forward:

Checklist for starting your B2B project



**Please note:** We have intentionally avoided using different word forms for different genders. This ensures that all content remains easy to read. All designations used apply to all genders.



### You can't afford to not go digital!

Dear business-to-business professionals,

Do you shy away from digital projects due to a lack of time, staff and expertise? There are often not enough young specialists with a high degree of digital competency available – and this is also true in the B2B sector. On top of this are the hugely increased costs that businesses are facing in 2023.

Times are tough, that's not in doubt! And yet, we need to stay on track: There is **no way to avoid** (further) digitalization in **B2B.** And since time is one of the things you are certainly most short on, our experts have put together this theme dossier. This ensures you stay **well informed** and remain **competitive**.

Let's start by taking a look at some of the terminology in use. The full name is in fact "B2B e-commerce". That fact that we often leave out the "e" indicates just how well established electronic, i.e. digital, B2B processes already are. We

will therefore mainly stick to the term **B2B** commerce.

The first part of this dossier looks at why you should take a close look at this topic. You need to know and understand the **drivers** that **define B2B customers** in 2023 (pp. 7-8). This will then help you get closer to your business customers – in the spirit of our vision "customer-oriented through digital solutions". Delve into proven strategies and effective measures (p. 18 onwards). Get new ideas from inspiring practical examples and expert tips!

It is clear: Only those who manage to provide customers with everything they need to know centrally, digitally and around the clock will survive. On one platform that provides optimal support for selecting, configuring and using the products. Where customers can make easy use of mature e-commerce features.

We hope this theme dossier will encourage you to get active. Help in getting started is provided, including our **checklist** for starting your project (pp. 32-37). In particular, we hope that this information will expand your knowledge a bit. At the very least you will get some insight into why **digitalization** in **B2B** is an **indispensable investment in the future**.

We hope you find plenty of stimulating ideas in these pages!



Anja Melchior and the Editing Team at Speed4Trade

PS: Franz Kafka recognized that "the path is made by walking". So, roll up your sleeves and stay confident!



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## Facing the changes in B2B commerce

For a long while now, the B2B market has been undergoing significant change with a range of different drivers. It is now more than ever necessary to develop a consistent digitalization strategy for B2B commerce. Here are five solid reasons why you as an automotive parts manufacturer or wholesaler absolutely must now take a serious look at B2B platforms.





B2B platforms are indispensable in the automobile aftermarket - 5 solid reasons why



Digitally trained and discerning – this is the B2B customer in 2023

form in the automobile aftermarket



## #1 Digitally trained and discerning – this is the B2B customer in 2023

Why is this all of a sudden becoming a hot topic in the B2B commerce sector?! To understand this, we need to take a look at the people who are making the purchasing decisions for businesses in 2023. We are meeting a **new generation** of B2B buyers. According to a current survey by the American Marketing Association<sup>1</sup>, 65% of B2B decision-makers are aged between 18 and 40. These are all millennials and Gen Z who grew up in a digital environment and regularly make personal purchases online and appreciate the pleasant side of e-commerce. They have higher expectations in terms of product quality, digital purchasing experience, speed, flexibility, convenience and service.

It is nothing new that reliable service and good value for money are popular with customers.

What is new, however, is that predominantly younger target groups increasingly desire digital

services in the B2B sector. And that these people, who have an affinity to using multiple different channels, select distribution channels based on the situation and needs. It is necessary to orient your business around this new B2B customer profile in order to ensure long-term access to customers and revenue.

of B2B decision-makers are aged between 18 and 40.

<sup>1</sup> Insiderintelligence.com: <u>5 predictions for B2B marketing in</u> <u>2023</u>





Global crises require new paths to be taken and provide immense opportunities

form in the automobile aftermarket

## of companies accelerated the implementation of digital processes during the COVID crisis.

#### #2 Global crises require new paths to be taken and provide immense opportunities

The global economy has been affected by a number of crises in the last few years. The more uncertain the economic climate, the greater the need for transparent and reliable business processes. These effects are also being felt in B2B commerce. According to one study!, the COVID crisis caused 77% of companies to accelerate the implementation of digital processes.

In these circumstances it is necessary to hold

According to ECC Cologne<sup>2</sup>, the ongoing atmosphere of crisis is only minimally affecting growth in the B2B sector. Among the top challenges

tight and make provisions to deal with crisis-re-

faced by those in the B2B sector today are high costs for energy, procurement, logistics and transport as well as supply shortages. **Reducing costs** is therefore the **order of the day**. Investing in digital trade and service systems offers great opportunities for **automating processes**, reducing costs and, at the same time, providing an entirely new way to access customers – ahead of the competition.

lated risks to sales.

<sup>&</sup>lt;sup>1</sup> ibi research 2023: <u>"Status quo und Zukunft im B2B-E-Commerce</u>

<sup>&</sup>lt;sup>2</sup> ECC Köln: Was B2B-Entscheider 2023 beschäftigt



B2B commerce revenues are becoming digital – even in the automotive aftermarket



#### #3 B2B commerce revenues are becoming digital - even in the automotive aftermarket

Statistics on trade with business customers via digital channels clearly show their market and revenue relevance. Digital business practices are nevertheless not always as apparent as in the B2C sector. Publications on Statista.com give the total **B2B e-commerce revenue** from all economic sectors in Germany in 2021 as 1.49 trillion euros. Manufacturers and wholesalers generated around 80% of this revenue through EDI, i.e. using automated processes whereby B2B transactions are made via direct data exchange. 352 billion euros alone are generated by manufacturers and wholesales via websites, online shops and market places.1

Looking at this from the perspective of our sector, we see that digital channels are playing an ever more important role in the automotive aftermarket. A McKinsey study<sup>2</sup> looking at the European

For traditional market participants the focus is increasingly not just on maintaining their market share, but also increasing their share via online platforms.

<sup>1</sup>Statista.com: <u>Umsatzvolumen im</u> B2B-E-Commerce in Deutschland im Jahr 2021

<sup>2</sup> McKinsey & Company: Die Online-Revolution im Kfz-Aftermarket

automotive aftermarket predicts that online trade will become increasingly established, especially in the B2B parts sector. The European aftermarket including services was worth around 200 billion euros in 2020. According to the McKinsey study, this will grow around 4 percent annually up to 2030. In the B2B market there are an increasing number of successful online providers from the B2C market.

80% of which manufacturers and wholesalers generated using EDI

annual growth of the European automotive aftermarket incl. services

Euro B2B e-commerce revenue for all sectors in DE.

euros are generated by manufacturers and wholesales via websites, online shops and market places.



B2B vs. B2C: So similar and yet so different

## #4 B2B vs. B2C: So similar and yet so different

"Consumerization" describes the shift whereby B2B customers now expecting a purchasing experience similar to that of Amazon and preferred online shops. B2C online trade is therefore setting the pace and standards for B2B purchasing. However, digital B2B trade differs from B2C online trade in two key aspects: transactions tend to be much more complex and the decision-making process is longer. Impulse purchases are more the exception with B2B customers and every purchasing decision is often subject to convoluted processes depending on the structure of the company.

The boundary between B2B and B2C has otherwise disappeared. The necessity of digital B2B platforms is no less than for B2C platforms. B2B however, requires that more specific products and services are offered as well as the functional design of multi-stage, cross-system processes.

aftermarket - 5 solid reasons



Maintain digital connections - SMEs need to join in

form in the automobile aftermarket



## #5 Maintain digital connections – SMEs need to join in

SMEs are still leaving to much of the online platform business and the development of platform ecosystems to large concerns and startups. And yet it is **SMEs** that stand to **gain significantly from platform innovations** – this is the conclusion of a study on this topic!. The reasons for this situation are varied: They range from a lack of digital understanding to a lack of financial and human resources to uncertainties regarding data protection and security.

What is clear, is that if SMEs are able to overcome these hurdles, then a huge amount of potential is released. This is because ultimately, digital B2B buyers do not differentiate between SME suppliers and global giants<sup>2</sup>. The task now is for **SMEs to transfer their strengths** in specialisation, customisation and their long-standing partner and relationship networks **to the digital world**. Only small to medium-sized enterprises themselves can create the solutions that satisfy the granular needs of their customers.

<sup>1</sup>Study: <u>Plattforminnovation im Mittelstand</u>

<sup>2</sup>Marconomy.de: <u>Diese 5 Strategien werden im B2B E-Commerce 2023 zum entscheidenden Erfolgsfaktor</u>



digitalization project



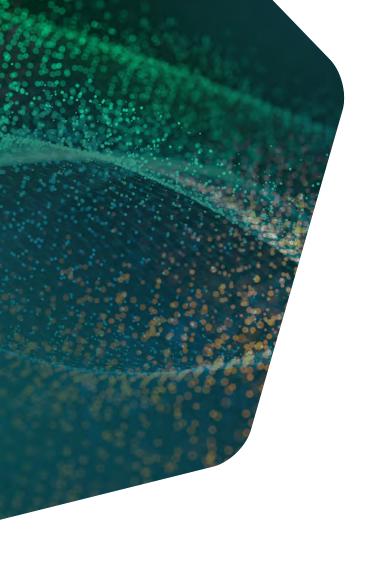
## Recognising opportunities in B2B commerce

There are a couple of questions to consider before starting your B2B portal project. What problems can be solved, which processes improved? And which areas of action are necessary based on the respective business model? Do you want to start with a digital product catalogue as a database and point of contact for staff and customers? Is the next step to bundle all transactions into one central B2B shop? Or is it to do both and move towards a first-class customer and service portal?! We will now show you 3 proven strategies for a feasible B2B digitalization project. We will also show you which actions and investments are required to drive it forward in order to remain competitive in the long-term.

3 proven strategies for a B2B plat-

form in the automobile aftermarket





3 proven strategies for a B2B platform in the automobile aftermarket

form in the automobile aftermarket



#### #1 Product information as the ideal starting point for a B2B service platform

Digital product information is a core element of B2B commerce. These days, business customers want ad hoc access to multimedia information about technical specifications, attributes, shapes and dimensions as well as installation instructions. This digital data and information pool is the key success factor for any e-commerce project<sup>1</sup>. The rule to follow here is: The more you tailor the information to the various participants, the more likely it is that the platform will be used intensively. If the range of parts is to be offered to several suppliers, then products need to be appropriately categorised and standardised.

#### Areas of action:

#### How to create a useful digital product catalogue

- Digitalize all the important details about parts and accessories (e.g. manuals, installation/repair instructions, technical drawings, safety datasheets)
- Provide detailed multimedia product information (text, images, audio, video, product configurator, chatbots, etc.)
- Provide user-specific information different buyer groups that need different types of information

- Product catalogues should allow simple comparison of items e.g. spare parts
- Transfer individual supplier catalogues to use a uniform product data format
- Precise and sophisticated search mechanisms and functions: based on hierarchies, attributes and filters; intelligent full text search
- Product information must be imported, released and updated automatically

<sup>&</sup>lt;sup>1</sup>Johannes Hentrich, B2B-Katalog-Management: E-procurement and sales in collaborative business





## Management Key

Missing documentation or documentation that has not been digitized is one of the main obstacles to effective B2B commerce. A digital product catalogue – continuously updated with correct, complete and current data – forms the basis for a B2B platform being accepted and for successfully selling automotive spare parts and accessories to business customers.

## Advantages of fully digitalized product information

- The essence and foundation for on-brand multi-channel distribution
- 2 B2B buyers can access user-specific information themselves
- Ad hoc answers to detailed technical customer enquiries 24/7, without time-consuming research that consumes valuable human resources

#### Tip from platform expert

Specifications relating to vehicles and installation are key considerations when purchasing parts e.g. for the repair shop. Let's take the example of a provider of original spare parts. If this provider makes available digitally animated exploded view drawings in their B2B shop, then they will be a much more attractive place to procure parts for the repair shop. This is because they are able to quickly and confidently determine which part is required.



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#### #2 How you can improve your sales performance with a B2B service platform

There is no more effective way to increase revenue and profit than focusing on customers with high potential. One possible method to do this is to systematically divide customers into business model groups (e.g. sectors, product/solutions, online/offline etc.) Within these groups you define size classes (A, B, C etc.) for the customers. At the intersection between business model groups and size class we find the customer clusters with the highest revenue and profit potential.

The sales strategy must then be newly oriented around these. Key account and A-customers receive personal attention in order to ensure customer loyalty. B and C customers are organised via a B2B service platform.

#### Areas of action:

#### Efficiently look after B- and C-customers via a B2B service platform

- Provide product information, order and tracking information updates as well as aftersales support for existing customers
- Advise customers and answer questions with a specialist support team
- Process orders: including payment, view tracking information, online assistants, configurators and live chats
- Manage complaints via the portal and proactively communicate processing status
- Personalised support channel: collects

- customer feedback and uses this to make personalised recommendations for products or training
- Download training materials, manage online and in-person training sessions
- Automate processes relating to orders, enquiries and complaints
- Data analysis tools for gaining insights into customer behaviour, e.g. which products are popular with B- and C-customers and how the offer can be expanded to better suit them



#### Benefits of a B2B service platform for your sales performance

- Improved efficiency in providing service to B- and C-customers by shifting routine processes to the platform
- Digitalized sales processes reduce costs, reduce mistakes and free up your employees so that they can spend more time looking after A-customers
- Optimal use of (human) resources in order to increase overall sales performance





## Management Key

A B2B service platform is a possible route for prioritising new and existing customers based on their potential. This frees up resources so that you can spend more time on important, profitable customers. Businesses can reduce visits to customers with lower potential by up to 30% and use the time saved to generated up to 10% more revenue from new and existing customers1.

<sup>&</sup>lt;sup>1</sup>Jan Wieseke, Die Sales Profit Chain, Volume 1, 2022

#### Tip from platform expert

You provide a range of spare parts that your customers can order from a catalogue?! Well then there's no reason why you shouldn't be running a B2B online shop. The main thing is to have reliable processes. If fast-moving items can be handled online through automated processes, this gives you more time to advise customers with revenue potential.



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#### #3 A B2B self-service portal as part of a comprehensive service strategy

The desire for operational efficiency and digital purchasing bring our focus to self-service options for B2B transactions. The digitally trained generation of buyers has long become used to managing their contracts and subscriptions themselves, ordering products online and being able to view order status, tracking information, invoices and service notifications at any time. The digital world will increasingly determine customer loyalty going forward. In the B2B sector in particular, with its often humdrum range of purely practical products, it is the providers who deliver useful additional services who stand out to customers.

#### **Areas of action:**

#### Self-service portal as a 24/7 digital interface to your B2B customers

- 24/7 self-service for B2B customers who often prefer to solve problems themselves
- Create a diverse range of digital information and functions
- Provide competent and satisfactory customer services via the customer's preferred device (PC, tablet, smartphone)
- Handle unplanned activities (repairs)
- Manage planned activities (service, maintenance)

- Provide an extended range of service options: Integrated chat, forum, premium hotline, integrated calendar for planning maintenance appointments; remote services e.g. for machine monitoring
- Evaluate customer data: understand the individual needs of customers in order to develop personalised services





## Management Key

A self-service portal forms the basis for digitally integrating customer service processes effectively. In the case of information intensive B2B purchase decisions, digital buyers require comprehensive advice both before and after the transaction. The relevant services help you successfully engage with the customer and ensure better process efficiency.

## Benefits of a digital B2B self-service portal

- Provide important information and options for customers at all times, day and night, without the customer service team having to get involved directly
- Cross- and upselling potentials: Profitable additional revenues e.g. from maintenance contracts, installation of spare and wear parts
- Digitalized customer interaction leads to better efficiency of internal processes

#### Tip from platform expert

A self-service portal allows customer enquiries to be addressed on an ad hoc basis without your customer service team necessarily having to get involved. If all the important details about products and orders are available centrally, then the customer can find answers themselves to urgent questions. Self-service tools do not replace personal contact with experienced account managers and customer service employees, they rather complement these in a useful and efficient way.



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## B2B commerce in practice

#### Inspiring practical examples

Now that we've taken a look at some of the possible approaches to B2B commerce, it's worth taking a look at some interesting practical examples of the types of B2B platforms that are actually being used in the aftermarket sector and which represent a worthwhile method of implementation. Be inspired by the best practices being used in your sector!

### Practical example: B2B platforms for fleet servicing

A well-known **wholesale and retail group** with tyres, rims and services as its core business areas operates a **central B2B platform** for its network of stores in Germany. The platform effectively provides digital **support for fleet servicing** and efficiently handles service requests for leasing and contract customers. The basis for this is a complex set of services and policies for vehicle servicing that are digitally reproduced by the platform.

Store employees are provided with reliable support for **managing** all **service requests** for workshops and the mobile breakdown service. To do this, the platform features **automated** integration of the involved contractual partners along with third party systems. Employees having to manually record information in several places or transfer data to other systems are a thing of the past, as are the numerous mistakes that would otherwise arise.







#### Practical example: B2B self-service portal

A manufacturer of automotive spare parts for the open parts market operates a digital customer portal for marketing and which serves as a universal point of contact for its B2B customers. Specialist retailers, repair workshops and staff have easy access to all relevant information and services relating to the product lines carried and which is presented in an easy to navigate way. Depending on target group, the information provided includes things such as price lists, marketing content, availability info through to training courses. The portal frontend is optimised for using on tablets and smartphones. The data and process flows link into the ERP system – the platform has interfaces providing access to all in-house data sources. The company achieved measurable time savings for internal resources as well as consistent communications. Business customers can rely on getting up-to-date, relevant information as the best possible service 24/7 – not only to their personal point of contact, but also by phone, email, etc.

### Practical example: B2B online shop with marketplace connection

An automotive parts wholesaler operates a B2B online shop providing workshops and dealerships with spare parts incl. automotive bodies, climate control and tune-up accessories. Behind the shop's frontend is middleware connecting to the ERP system and TecDoc parts catalogue as data sources. This allows shop items to be accompanied by vehicle-relevant information, service tips and installation instructions. The shop engine automatically delivers the stored customer-specific prices. Via middleware, the range of parts available is offered on the Tyre24 B2B marketplace as an additional distribution channel.





# Actively shape the way forward in B2B commerce

Perhaps you are currently just starting or within the initial idea and planning stages for your B2B digitalization project. Here we provide you with a handy checklist of things to think about for starting your project. The checklist contains questions you need to be asking yourself as well as important aspects and tips from experts that you need to take into consideration. Spending time thinking about these things will help you avoid typical mistakes and serve as a basis for a successful project.



#### Checklist for starting your B2B digitalization project



## Start by looking at the budget and costs

- What is your budget for developing the platform?
- What minimal viable product (MVP) can be implemented within the initial budget?
  - What costs need to be considered in
- order to operate and further develop the platform?





### Secure manpower & skills

- Which part of the company will be responsible for the project?
- Which other areas/departments will be affected?
- Which skills and resources will be required during the development of the project and when in operation?
- Do you want to develop your own platform or work with external service providers?

#### Tip from platform expert

A B2B commerce project requires clever people with clever ideas. Of particular importance are sound specialist knowledge of the processes to be digitalized and, for the next step, relevant expertise in internet technologies. You have the option to bring on board an experienced software partner for the second part. What's clear: Platform innovations are long-term investments. You need a sufficient preparatory period and continuous engagement from all partners.



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#### Checklist for starting your B2B digitalization project



## Value and orientation of your platform business

- It is necessary to take a detailed look at the processes used in the B2B sector.
- Which processes need to be focused on and analysed (e.g. handling returns, mapping hierarchies and approval processes, application interfaces, etc.)?
- Analyse process costs and check improvement potentials; where digitalization is most useful
- Identify the right distribution and marketing channels so that you need to bundle resources and offer B2B customers the best possible purchasing experience through these channels



digitalization project

#### Tip from platform expert

It all comes down to your processes! Digitalization is fundamentally nothing more than using internet technologies to make your processes more efficient. It is essential to talk internally with the relevant colleagues to find out where the inefficiencies are in your processes and what ideas they have to digitally optimise these.



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#### Checklist for starting your B2B digitalization project



#### Designing a B2B commerce platform

- Target group: Consider the needs, interests and behaviour
- Product range: carefully select and structure (relevance for customers)
- Buying experience: important aspects e.g. stable availability, user-friendly menu, quick to find, complete information, tools to help buying decisions
- Payment: Secure and reliable payment methods expected by customers e.g. credit cards, PayPal and bank transfer
- Protection and security: Defence against hackers and scammers, backups, secure payment processing
- Search engine optimisation: Appear in search results from Google and others
- Marketing: Strategy for social media, email marketing, influence marketing
- Technologies: Scaling and flexibility are key to platform performance

- Integration: Define the required interfaces to third-party systems such as ERP or data catalogues
- Analytics tools: Measure and analyse the performance of the commerce platform
- Customer support: Provide fast and effective support for enquiries and problems (incl. telephone, online chat, ticket system)
- **Compliance:** Observe legal regulations and standards in the e-commerce context
- Internationalisation: The platform should support different languages and currencies.
- Mobile capable: Fast loading times and user-friendly mobile user-interface

digitalization project

#### Tip from platform expert

The creation of a B2B platform must be carefully planned and implemented. The items on our checklist will contribute to the success of your platform business. It may be worth seeking out support from an experienced e-commerce solutions provider. Integration into existing systems is the most important thing to consider when selecting on an e-commerce provider<sup>1</sup>. It is therefore essential that you give consideration to interface competence!



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#### Sources

<sup>1</sup>ibi research 2023: "Status aud und Zukunft im B2B-E-Commerce" (Status aud and future in B2B e-commerce)



# Digital sales and service platforms from Speed4Trade

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