

An Epicor® White Paper

Why eCommerce Isn't Optional for Distributors—It's Essential

A quick look at why eCommerce is crucial to your future



EPICOR®



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Why eCommerce and why now?

If you've ever purchased so much as a printed t-shirt online, you understand eCommerce. Understanding how to make it work for your distribution operation is an entirely different story.

It's where commerce—and your competition—is headed

The world is shifting from catalogs and cold calls to an era of convenience for the customer, and while eCommerce was once a fringe B2B sales channel for distributors, the convenience it allows is elevating it into the buying method of choice for B2B customers.¹

Your buyers have been trained to expect seamless, high-quality online purchasing experiences, and they're beginning to look for a similarly simple, elegant experience when they make B2B buying decisions.¹

This shift in consumer expectations is driving B2B companies online, and a majority of them (57%) believe the shift in commerce from offline to online will be rapid.²

This means that more than half of your competition could be gaining an advantage over you in the marketplace. With experts saying U.S. B2B eCommerce will reach \$1.13 trillion by 2020³, you can't afford to do things the old way. You also can't afford to do them halfway.

The use of eCommerce is growing at a rate of 19% per year. It currently drives 41% of B2B revenue. 53% of customers will be purchasing online by 2017. It was a top-priority investment for wholesale distribution executives in 2016.

Source: Forrester Research, 2016

It's good for business

Customer orders might not require a lot of hand-holding in your current distribution setup, but it requires far less to have customers take care of themselves. Simply put—you still need to offer great customer service, but eCommerce means more customers are serving themselves.

In a consumer-focused, dynamic online environment, your customers can find what they need, discover what they want, and efficiently make purchases—without taking a moment of your time. When you're saving time, you're saving money. It's the perfect scenario:

- ▶ It's easier for your customers to buy from you
- ▶ It takes fewer resources to sell more product
- ▶ Your sales reps will have more time to focus on higher-margin key accounts

Cost-effective, self-serve, online-only environments are the perfect—and therefore preferred—shopping option for the distribution industry, and your customers are making the switch.

¹ The Changing Landscape of B2B eCommerce, Magento and MarketingProfs (date?)

² MarketingProfs, How B2B Commerce is Changing, 2013

³ 2016 Forrester Research, Inc.

More than 70% of customers frequently or very frequently use electronic methods for shopping. Only 37% frequently or very frequently use print methods for shopping. It's a significant shift away from people and print in the last two years.

Source: 2016 State of eCommerce in Distribution, Copyright © 2016 by Gale, Media, Inc. All rights reserved.

It's the new norm

It's impossible to deny the shift to online shopping and irresponsible to call it simply a trend. Three sub-trends are, however, having a significant impact on how, when, and where B2B companies sell their products and services.

1. Infrastructure—Today, innovation in back-end infrastructure has made it easier than ever for B2B companies to quickly and affordably create fluid, comprehensive online shopping experiences.
2. Mobility—69% of B2B companies expect to stop publishing print catalogues within the next three to five years, moving instead to mobile-friendly versions that can be viewed on tablets or mobile devices.⁴
3. Procurement processes—57% of business buyers currently purchase goods for their companies online, and 37% expect to spend more of their annual budgets through online platforms in the next year.⁵

It's changed the distribution landscape

Do you remember the shoe salesman? He used to come out with a mountain of boxes under his arms and work you through each pair. Maybe you maintain a sentimental recollection for this level of service, but when you think about it in practical terms, it's just plain easier and faster to find your shoes yourself.

The same is true with eCommerce. It's changing how you find, engage, and retain customers—changing, in fact, your relationship with customers and the skills your people need to serve them in a self-serve environment.

eCommerce gives you a way to grow while lowering costs and increasing customer satisfaction. It is now a necessary business tool. Further, eCommerce is radically transforming how distributors do their jobs.

⁴ Forrester Research, The New and Emerging World of B2B Commerce, 2014

⁵ Acuity Group, 2013 State of B2B Procurement Study, 2013

Why go all-in?

It's not hard to find an e-storefront "quick fix" to which you can affix your logo and start building online inventory, but doing so is like having the neighbor kid build your website—just because it's convenient, it doesn't mean it's good. If your eCommerce solution doesn't stand out, you won't be able to compete.

The market will hold you to a B2C-like standard

Your B2B customers are also everyday B2C consumers. They buy clothes and cat food and even cars online. They read and research, and if your site is difficult to navigate or the checkout experience is cumbersome, they'll find competitors who do it better. They are just like you, in other words, and just like every other shopper.

If they have your website open in one window, they likely also have their favorite consumer website open in another window. To compete in this environment, your eCommerce experience must work like the world of B2C.

Like the rest of us, your buyers have been trained by Amazon and eBay, and they expect online shopping to be effortless, elegant and simple—no matter whose site they're shopping. Like Amazon (and other major players like Grainger), some distributors have already mastered the consumer-like feel of B2B eCommerce.

It is the era of the customer

The customer is always right, it's just that "right" now means more than it used to. In this new age of consumer demand, you face:

- ▶ Radically changing B2B buyer preferences
 - 74% of B2B buyers report researching at least half of their work purchases online⁶
 - The number of B2B buyers who will complete at least half of their work purchases online is expected to increase from 32% in 2014 to 53% by 2017⁷
 - B2B buyers are increasingly using mobile devices to both research and buy online⁸

⁶ "US B2B eCommerce Forecast: 2015 To 2020" Forrester report

⁷ Forrester/Internet Retailer Q4 2015 Global B2B Buy-Side Online Survey

⁸ "Digital Is Busy Transforming B2B Commerce" Forrester report

- ▶ Demand for Amazon-like customer experiences
 - B2B buyers insist that B2B eBusiness and channel strategy professionals match B2C companies like Amazon by incorporating B2C tenets of price transparency, immediacy, and convenience into their core buyer experiences⁸
 - Most B2B eCommerce executives claim that they fall well short of matching Amazon's customer experience standard⁸
 - Market-leading B2B companies must meet B2C levels of customer experience expectation by weaving proven principles of interactivity, personalization, and network participation into their websites⁹

- ▶ Pressure to leverage game-changing new customer engagement efficiencies
 - Distribution eCommerce executives are reducing acquisition and retention costs by converting full-serve customers into partial or total self-serve customers¹
 - They are also leveraging the business side of technology to drive innovation in hardware and software tool sets¹⁰
 - By establishing viable and cost-efficient self-serve channels, B2B companies are now more effectively capturing difficult-to-reach low-frequency and low-volume purchasers¹¹

Half-measures won't keep up

It's clear that things are changing, but how quickly can you expect the transformation? Studies show the transformation has already begun.

According to the Gartner article "Magic Quadrant for Digital Commerce":

- ▶ By 2018, more than 50% of commerce sites will integrate technologies from more than 15 vendors to deliver a digital customer experience
- ▶ By 2018, 40% of B2B digital commerce sites will use price optimization algorithms and configure/price/quote (CPQ) tools to dynamically calculate and deliver product pricing
- ▶ By 2020, smart personalization engines used to recognize customer intent will enable digital businesses to increase their profits by up to 15%

Why haven't we done this already?

Change on this scale is difficult for every company—even when it makes your job easier and increases your revenue—but that doesn't mean you have to go through it alone.

According to a July 2016, Mint Jutras study, 57% of distributors surveyed recognized that they were unprepared for the digital economy. Only 4.3% of companies like yours get more than 40% of their revenues from eCommerce.¹²

You aren't alone, and while it is a big change, it's not too late to put an eCommerce strategy together that can outsell the competition.

⁹ "The Customer Experience Management Maturity Model" Forrester report

¹⁰ "Design The Tech Organization For The BT Agenda" Forrester report

¹¹ "Death Of A (B2B) Salesman" Forrester report

¹² "B2B Distributors Missing Out on eCommerce Growth," blog by Ranga Bodla, March 24, 2016



Epicor gets your business ready

If you want to compete with Amazon and Grainger, you need to get moving and keep moving, regardless of where you are in your eCommerce journey. Epicor offers an out-of-the-box eCommerce answer to getting there—Epicor Commerce Connect™ (ECC).

ECC is a cloud-based solution built on the Magento platform, which means your customers get a consumer-friendly shopping experience, and is supported by powerful B2B and B2C toolsets. It's mobile-ready and poised to boost your online presence, migrate customers to your website, and shorten the sales cycle. It's built to adapt—like you—to changing market conditions and designed to grow as you grow.

Epicor is fully integrated with your back office

Epicor Commerce Connect (ECC) makes things easier for your customers, and because it comes completely integrated with the Epicor Prophet 21 ERP system—and your back-office operations—it can dramatically simplify how you get things done.

It's scalable, simple, and so advanced that it eliminates the most risky and time-consuming element of eCommerce—the expensive custom work that connects your eCommerce system to your back office.

Epicor offers your B2B customers a B2C buying experience

What do you want when you're shopping online? You want to find what you're looking for, you want to buy what you're looking for, and you want it to be quick and easy. ECC gives your customers that very experience, offering open browsing, anonymous checkout, simple shopping carts for product groups and rebuys, recommendations and related-product suggestions, and multi-lingual/multi-currency options.

ECC makes your eCommerce site an effortless, intuitive user experience, including:

- ▶ Previous purchases
- ▶ Payment on account
- ▶ Credit and debit card options
- ▶ Shipping and billing addresses
- ▶ Contact information
- ▶ Easy logins

Epicor is built for wholesale distributors

Epicor has more than 40 years of experience helping distributors like you find the growth they want. We know what works and what doesn't when it comes to eCommerce and the cloud. We get the importance of mobile sales and critical field services. We understand advanced inventory management and the customer organization tools you use to keep things moving. We know what it means to need an answer—now—your business questions.

We are in the trenches of your industry, and we built Epicor Commerce Connect specifically for you.

Epicor Commerce Connect has what you need



About Epicor

Epicor Software Corporation drives business growth. We provide flexible, industry-specific software that is designed around the needs of our manufacturing, distribution, retail, and service industry customers. More than 40 years of experience with our customers' unique business processes and operational requirements is built into every solution—in the cloud, hosted, or on premises. With a deep understanding of your industry, Epicor solutions spur growth while managing complexity. The result is powerful solutions that free your resources so you can grow your business. For more information, [connect with Epicor](#) or visit www.epicor.com.



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