

Five Considerations for Customer Experience Transformation in B2B

Reach the Summit with Experience Transformation



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Your production is digitalized already.
What about your sales processes?

Introduction

Digital transformation brings you closer to your customers

It has been more than two decades since the then CEO of Intel, Andrew Grove, published his prophetic book *Only the Paranoid Survive*¹ – the title says it all. Grove's thesis is that businesses come up against what he calls "strategic inflection points" when its fundamentals are about to change. "That change can mean an opportunity to rise to new heights," writes Grove. "But it may just as likely signal the beginning of the end."

Is the Coronavirus pandemic such a make-or-break moment? In August 2020, as the global economy is emerging from lockdown, Gartner² writes: "COVID-19 has escalated digital initiatives into digital imperatives."

In another Gartner³ report, the analyst says: For B2B, that imperative is digital commerce, which "leads to cost optimization, revenue growth, improved customer experience and digital transformation."

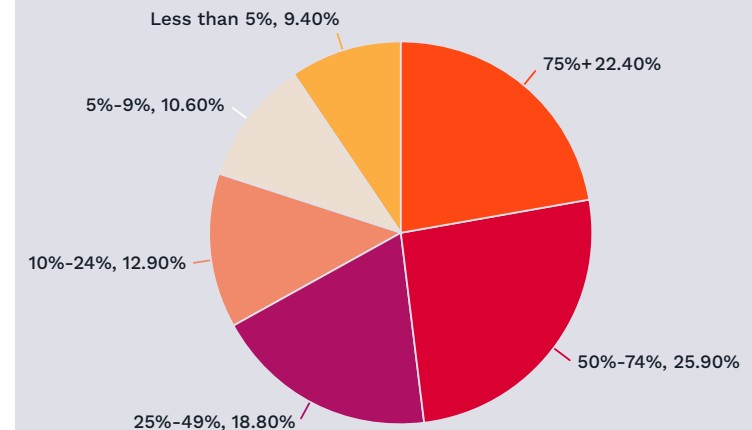
This eBook is a "where do I start?" briefing for CIOs and CMOs working in business to business that want their businesses to rise to new heights by transforming how they interact with their customers and achieve their goals. Because this is what the digital transformation of your operations and business models means first and foremost: a journey to bring you ever closer to what defines your brand: your customers.

Manufacturing has struggled to make that personal connection because it instinctively prioritizes product over experience. Although customer experience may be seen as an important business outcome, the problem is how to realize it. This eBook will focus on the manufacturing sector. However, the recommendations apply to all B2B businesses that want to pivot digital transformation towards customer experience transformation.

Digital transformation means first and foremost: a journey to bring you ever closer to what defines your brand: your customers.

1. <https://www.amazon.co.uk/Only-Paranoid-Survive-Andrew-Grove/dp/1861975139>
2. Gartner. "Create Effective Messaging by Separating Internal and External Digitization as a Tech CEO." Rene Buest and Chrissy Healey, 13 August 2020
3. Gartner. "Leverage B2B Digital Commerce for Cost Optimization, Improved CX and Revenue Growth." Jason Daigler, 6 July 2020

What percentage of your company's purchases are made online?



Source: July/August Digital Commerce 360 B2B buyer's survey.



01 The Digital Imperative

Gartner⁴ estimates that “by 2023, B2B organizations with digital commerce offerings will see 30% more revenue and a 20% reduction in costs, compared to competitors without B2B digital commerce sites”.

The message has a flipside: delaying or ignoring digital opportunities will make you lose touch with the competition.

This is sinking in.

The changes Gartner is now calling imperative were already happening before the Coronavirus pandemic struck. In 2019, manufacturing B2B e-commerce sales grew **20 times as fast** as overall manufacturing sales in the US, reaching \$430 billion, still just 7% of the total⁵.

Digital adoption in B2B manufacturing lags behind other sectors, with all B2B online sales estimated as accounting for between 10% to 12% of total

business-to-business turnover. This seems counter-intuitive because manufacturing is a digital leader in leveraging Big Data and the maturing technologies of Artificial Intelligence and the Internet of Things to revolutionize production, product development and other supply chain functions. A transformation known as Industry 4.0.

By focusing on the product, rather than on the customer journey, manufacturing has overlooked “the experience revolution” that has spread from B2C to B2B and is increasingly blurring the two.

There are even more complex chains that must be taken into account, like B2B2C, where OEMs leverage end user information to continuously improve their products and services.

We are often told that B2B is reticent to change, but change is technologically — not just culturally — much harder for B2B because its relationships and

transactions have a higher degree of complexity compared with B2C. This complexity means you have to strategize carefully and use a modular approach to transformation.

According to B2BecNews surveys, although 60.7% of manufacturers do not yet have an e-commerce site, 75% indicate that they plan to launch one within two years.

4. Source: Gartner. “Leverage B2B Digital Commerce for Cost Optimization, Improved CX and Revenue Growth.” Jason Daigler, 6 July 2020

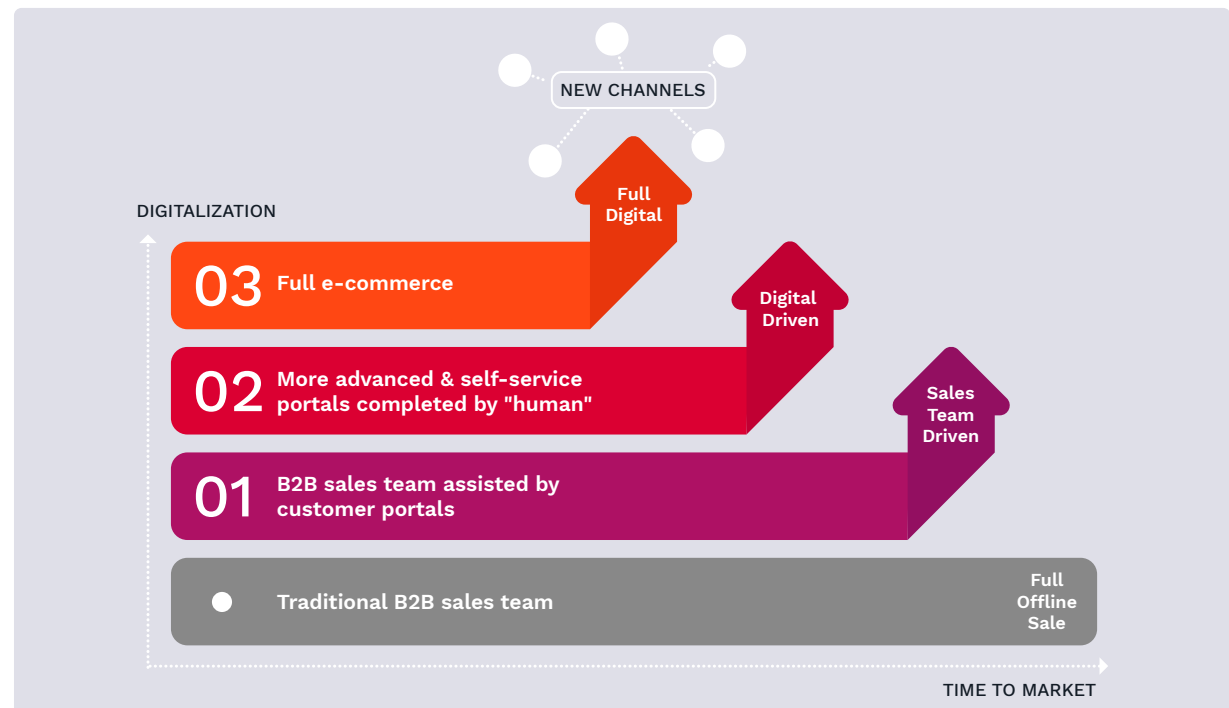
5. <https://www.digitalcommerce360.com/2020/07/09/a-manufacturers-ecommerce-playbook-for-dealing-with-covid-19/>

02 The Digital Journey, Step by Step

Knowing that you have to change is not the same as knowing how to go about it. A realistic business plan should include a pragmatic roadmap for change, one that has its roots in how the manufacturer currently conducts its sales.

We distinguish three such journeys:

- Sales-team driven with online alignment
- Online-driven with sales team support
- Completely digital (B2B, B2B2C, D2C)



Sales-team driven with online alignment

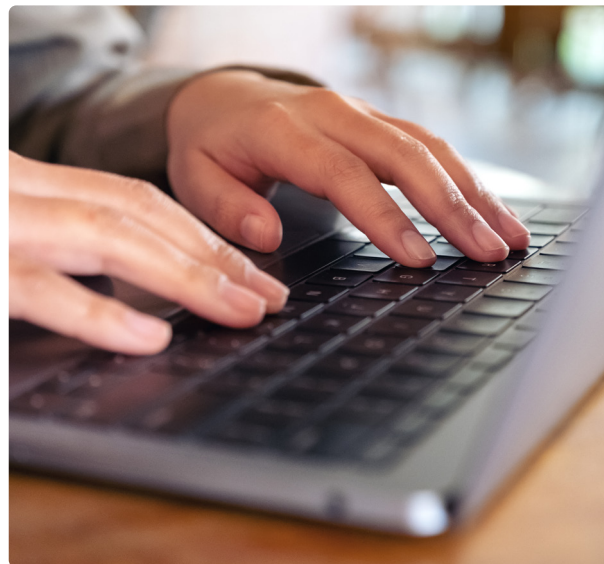
This is the lowest hanging fruit for B2B manufacturers that are still delivering through traditional channels e.g. face-to-face (today mainly virtual) meetings and (online) trade shows. These businesses need to maintain strong relationships with their customers and partners while investing in a more digital future with them.

The simplest way to do this is the implementation of customer portals to share account-specific information such as sales material, order history, invoices, and billing information. Customers can be identified online, and content can be easily personalized for them. This both creates visibility in the business relationship and helps the sales team to better engage with their end-users. The core relationship is still between the buyer and a human – the account exec probably – with digital processes facilitating their job.

The success of B2B automation depends to a massive extent on how humans interact with it: the customer experience.

Online-driven with sales team support

The second strategy is a decisive step away from traditional selling. The key word is self-service, with the customer taking much more ownership of the purchasing trajectory. Advanced portals enable customers, dealers or partners to take specific actions in their buying process such as selecting products or services, calculating prices, requesting quotes or any action that would help them to decide. These self-service functions are expected by today's (digital) buyers. In addition, these portals are great complementary tools for sales teams who can deliver more value and complete the order process faster. The relation is between the buyer and the brand, where the sales exec plays a complementary role and is fairly interchangeable.



Completely digital (B2B, B2B2C, D2C)

The third strategy is the complete digitalization of the sales relationship along its entire lifecycle. Here, human interaction is minimized, and automation maximized. The customer portals from the two first phases comprise full B2B shops integrated with PIMs, ERPs, and CRMs. Catalogs are fully digitalized with visualization of products and capabilities – a key driver of customer experience across the entire customer journey. Customers are able to go through the whole cycle – getting quotes, negotiating, and completing their orders (and re-orders) – online. This fully digital stage offers opportunities for up- and cross-selling with intelligent recommendations and a much greater level of personalization.

Shared goals: automation & efficiency

The starting point to digital transformation will be different for each business, but they all share the goal of automating tasks and removing inefficiencies out of the human process. Digital transformation reduces buyer friction resulting in shorter sales cycles; it increases the pipeline and also, it is scalable, facilitating a greater number of transactions.

The paradox is that the success of B2B automation depends to a massive extent on how humans interact with it: the customer experience.



03 Who You Are Is What Your Customers Experience

We know that B2C expectations are driving change in B2B. E-commerce customers of all stripes want intuitive, easy-to-navigate ordering platforms; high-quality, 3D product images; visibility into inventory; access to detailed measurements and specification; relevant, faceted search options to facilitate comparison of similar items; fast access to complementary products; and the ability to buy online with a variety of fulfillment options.

However, these requirements are much more complex in B2B. Take inventory. Manufacturers regularly have tens of thousands of SKUs – stored physically in warehouses and as data in the Product Information Management (PIM) system. The requirement to make all these SKUs searchable, and give buyers real-time information about the stock position, requires careful architecting and data integrations.

Other B2B requirements compound the challenge, for example: specifications in the chemicals, pharmaceuticals or food industries are highly detailed, production lines depend on the pinpoint accuracy of fulfillment.

It all boils down to the difference between “I want” (B2C) and “I need” (B2B) as shown in the graphic⁶ below. Not only are customer experiences more difficult to develop in B2B, the cost of failure is much higher because B2B has far fewer customers.

B2B	B2C
I need ...	I want ...
Complex, negotiated pricing	Simple, standard pricing
Retain customers	Acquire customers
Ongoing	Transactional
Purchase approval workflow	No purchase approval
Relationship-centric	Product-centric
Products configured	Products standard
High level of reorder	Low level of reorder
Rational > emotional	Emotional > rational

6. Deloitte. <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/consumer-business/us-cb-wholesale-distribution-disrupted.pdf>

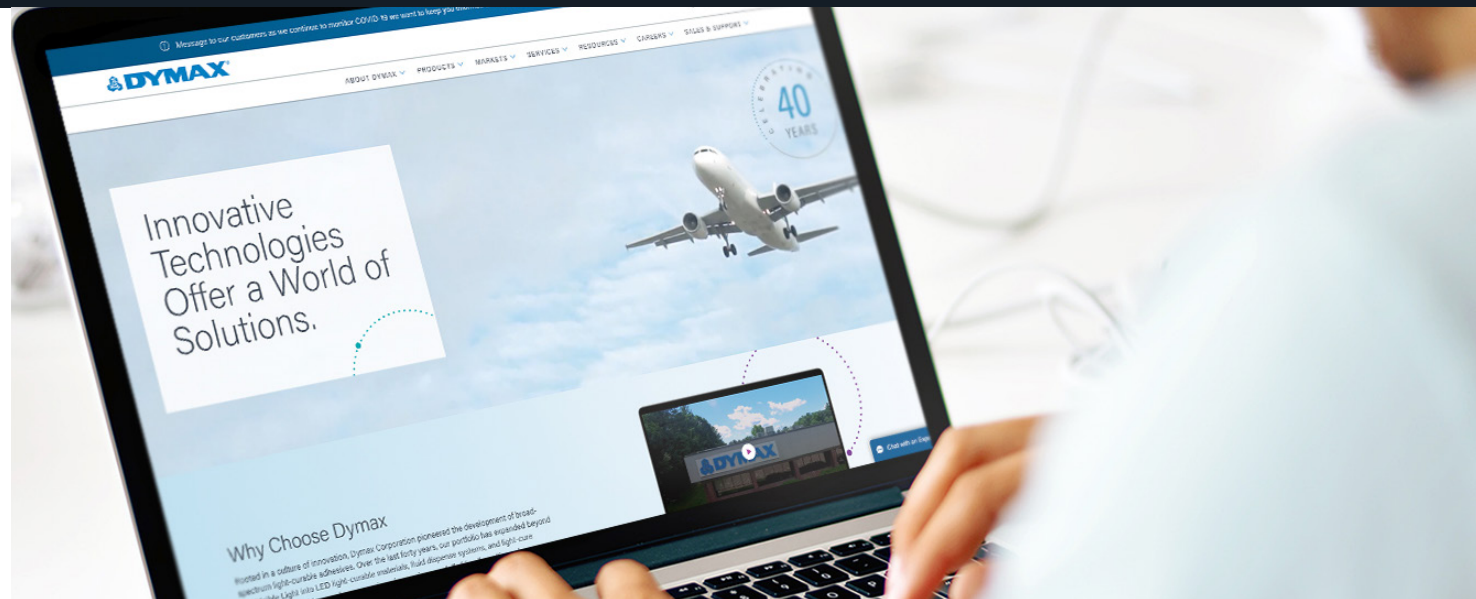
What is a great B2B customer experience?

A buyer of industrial adhesives, white goods machine parts or even casual clothing can hardly be expected to engage with the brand narrative of each polymer, washer or t-shirt he orders. B2B buyers have to make rational decisions (which they rarely make on their own) so the emotional impact of the site, so crucial in B2C, is secondary.

This does not imply that customers do not have certain expectations regarding design and the overall elegance of the experience. They clearly do, and manufacturing has struggled in this regard.

So just how can businesses help their customers make better buying decisions and feel ever more comfortable with the product post-purchase? Contextualizing and visualizing products as well as navigating customers through a personalized journey to match their needs and quick and easy ways to locate what they want is key to building frictionless experiences.

Connecting to business systems such as ERPs, PIMs, CRMs, etc. linking to real-time inventory brings transparency to product availability, gives accurate and up-to-date product information and will provide the ability to seamlessly manage the customer relationship. Ultimately, these interlinked systems all contribute to delivering a good customer experience.



Dymax, the US manufacturer of industrial adhesives and adhesive equipment, launched a new site to enhance the customer journey by removing the number of clicks to get to the right product. It created a clear content structure so buyers could navigate through a huge and detailed catalog of products and services as well as introduced recommendations through personalization.

This is only the first step because the sophisticated site has no e-commerce capabilities yet. Dymax wanted to nail the first part of the customer journey first, making it much simpler for B2B buyers to find exactly the product and product version they need, and make the process of ordering samples or getting a price quotation frictionless.

For example, a buyer can go the Formulated Product Finder to help them find the right adhesive according to their location, industry, application or the materials they'll be using. They get full information on each adhesive with a description, features and properties.

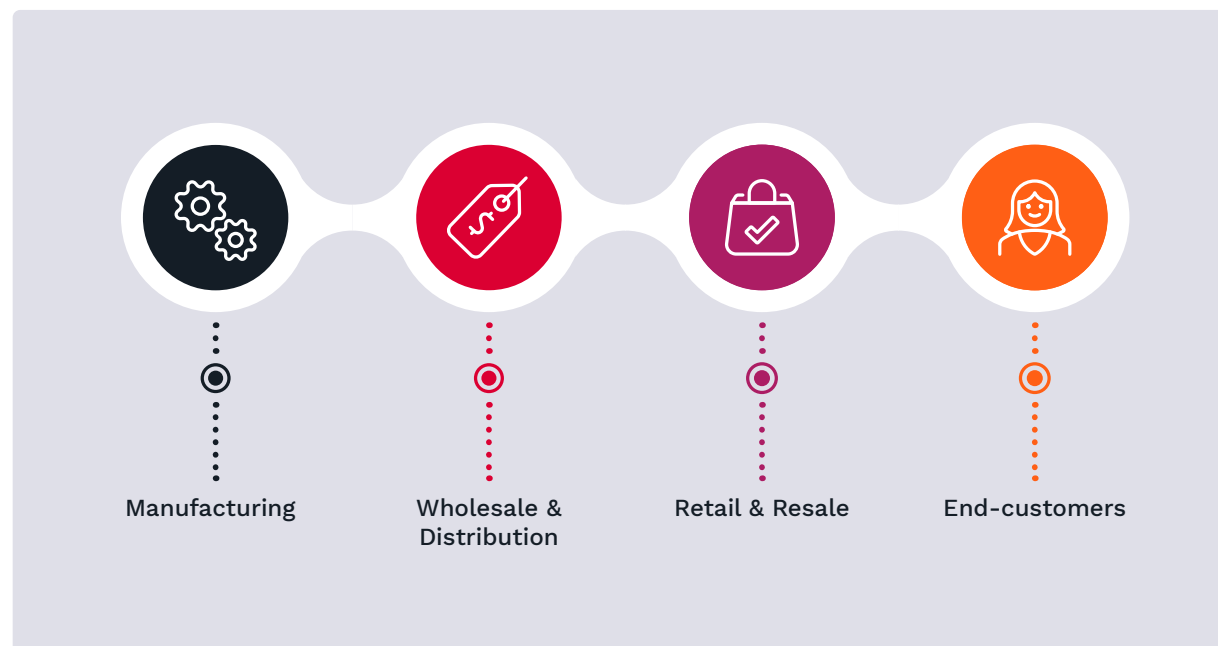
Note that the site (www.dymax.com) also gives Dymax a lot of information about (potential) buyers: where are they, what do they produce and in what quantities? This data helps build a profile, giving Dymax the opportunity to recommend other products and services.

04 New Business Models

Digitalization gives B2B businesses access to new sales channels and business models. The rewards can be considerable, Gartner⁷ believes that “By 2022, organizations using multiple go-to-market approaches for digital commerce will outperform noncommerce organizations by 30 percentage points in sales growth.”

What is to stop a manufacturer selling directly to the customer (consumer or business) once its website has a sophisticated e-commerce functionality? In many cases, nothing but the ability to deploy different pricing models to different buyer segments, which luckily is quite standard in B2B solutions such as Ibexa Commerce.

7. *Leverage B2B Digital Commerce for Cost Optimization, Improved CX and Revenue Growth*, Jason Daigler, 6 July 2020

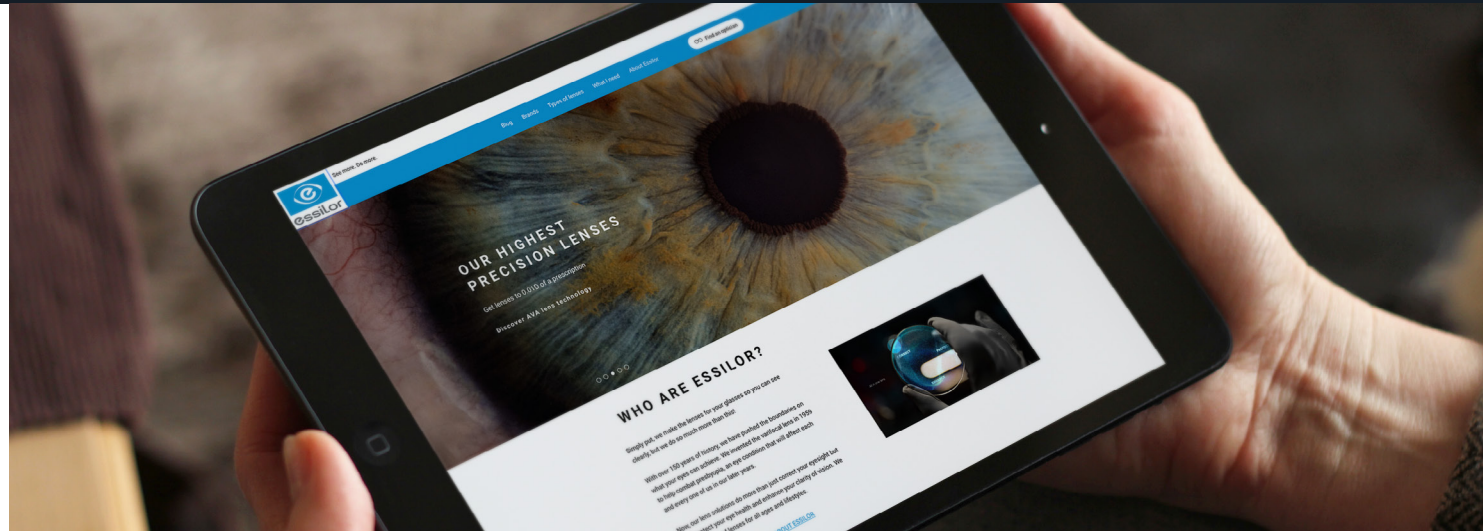


Logistics and traceability across the entire supply chain is crucial. The e-commerce platform of the manufacturer is often not connected to direct sales channels; implementations are built around the dispatch of bulk deliveries to retailers, and not set up for the fulfilment of individual orders. Inventory will change much more rapidly and erratically, so manufacturers need real-time insight into D2C orders as much as their customers will want to track these orders.

For manufacturers producing consumer products, Direct to Consumer (D2C) is a model that is fast gaining traction. It appeals to the modern consumer who is looking for direct contact with the brand, often to bypass intermediaries, which makes the purchase feel more environmentally friendly. Manufacturers can successfully tap into this demand if – and only if – they have a platform that is versatile enough to support it.

The blurring of business models usually takes the form of B2B2C where manufacturers leverage a Digital Experience Platform to market to wholesalers and distributors, as well as to the end-customer. Essilor, the world's largest manufacturer of prescription lenses, wanted to have a closer relationship with the millions of end-users of its products. To do this, Essilor relaunched its website on Ibexa's DXP.

End-users are drawn to the site by rich content around the many types of ophthalmic lenses produced by Essilor; a store locator directing visitors to their nearest optician(s) that stock Essilor has been implemented for 22 European markets. The sites are run off a single instance of the DXP. Essilor's "actual" customers – the B2B buyers (its partnered opticians) – have a separate portal to access the site's e-commerce functionalities.



Essilor is a good example of how the experience revolution does not necessarily revolve around e-commerce. This is why it is a mistake to get an e-commerce point solution to orchestrate your customer experiences. Of course, at some point you want your product to be sold – but it is the experience that leads to a sale and a successful B2B relationship, so you need the advanced content competences and scalability of a DXP.

Customer retention is the bedrock of B2B, so a service subscription model is a natural fit. Café Royal Pro is a manufacturer and distributor of coffee machines and coffee capsules that has put the customer – anything from small single-office operations to multi-premised businesses – at the heart of its experience model. The service subscription model enables customers to define and manage their needs simply through the Café

Royal Pro website, tracking orders and digitalizing the day-to-day tasks of restocking coffee supplies, trying out new flavors, setting delivery frequency, servicing machines, or expanding or shrinking their orders. The result? Increased loyalty, increased sales, reduced churn – and more market prominence, helping Café Royal Pro build a leading position in the sector.

Dymax, Essilor and Café Royal Pro all made different choices about what they wanted the technology to do for them. The key was finding the right technological solution as well as the right resources, internally and externally, to explore and design the best services, experiences, and touchpoints. Beyond technology and features, the success will also come from a creative process to visualize and contextualize product capabilities and facilitate communication and engagement with prospects and existing clients.



05 The Technology

The chief anxiety of business leaders endorsing digital transformation centers around the technology stack they need to implement. It is this uncertainty that often propels them into the arms of providers of monolithic, end-to-end solutions.

End-to-end seldom ends well. For many reasons. As we saw, the progression towards digital maturity is gradual and modular. The temptation is to “get it done” with a monolithic solution that has to be good because a renowned vendor is selling it to you at an exorbitant price.

Your investment should match your progress. The Ibexa Digital Experience Platform is modular, allowing you to pace your investment as well as the strategy in which you are investing. Typically, if your approach is to build your own digital platform by assembling different components, and at first, only consider Ibexa for its content engine and its APIs (REST and GraphQL), to feed all experiences with the right content, you can

purchase Ibexa Content engine only. Similarly, if you are ready to digitalize and personalize your product catalog but not ready to implement digital purchase and payment, you don’t have to purchase and implement the whole Commerce feature set.

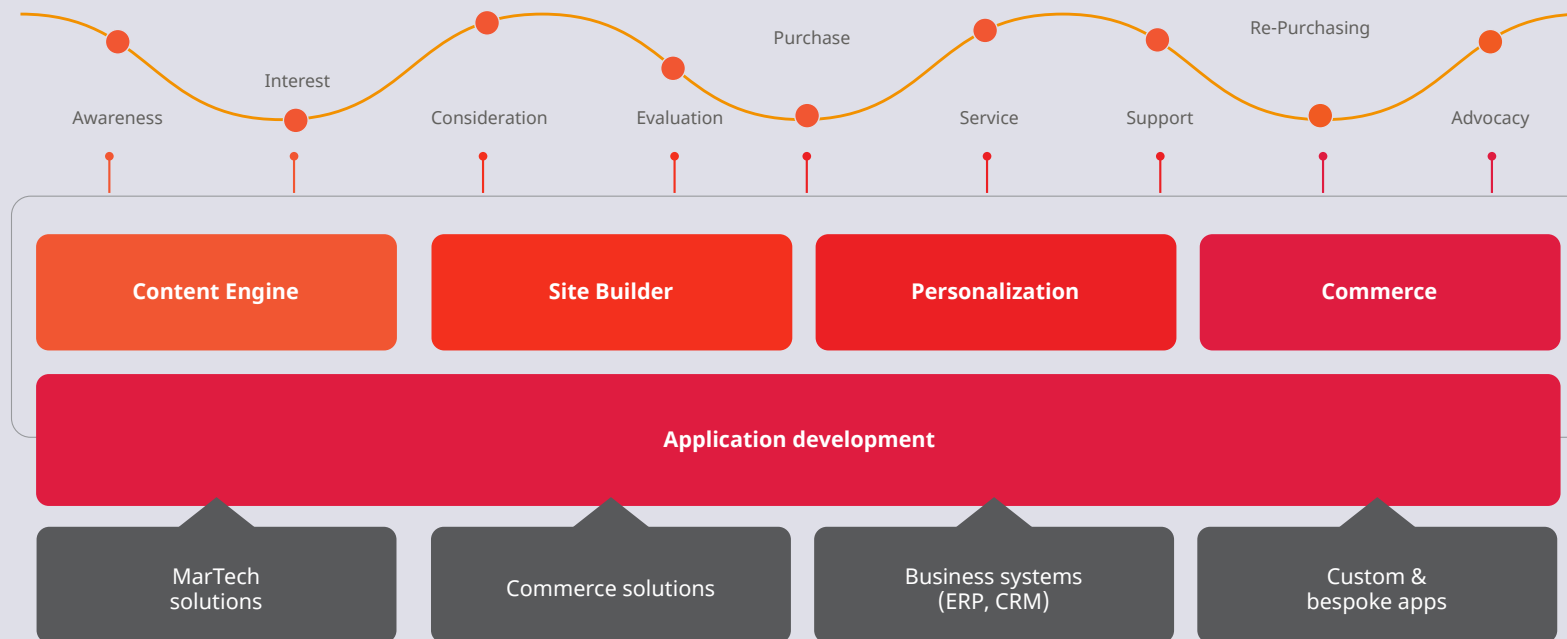
On top of this, Ibexa’s products come in different tiers that reflect different sizes of businesses (in volume of content, number of customers and size of the infrastructure required) which starts at low prices for smaller projects.

Dymax is a case in point. The manufacturer overhauled its site to achieve specific objectives (better design, better content architecture, better search functionality) and will build on the solid foundation of its DXP by adding an e-commerce component soon.

More than the cost, it is the inflexibility of monolithic solutions that makes them a poor choice. Some businesses go to the other extreme and opt for a

self-build approach. This seems attractive because on paper self-build gives you all the customizations you want at a more manageable cost. The reason why self-build fails in B2B is that you soon accrete significant technical debt, making the platform hard to govern. Budget is the other issue. Because the complexities of self-build are always underestimated, costs invariably spiral out of control.

It is easy to identify B2B digital transformation as being exclusively about B2B e-commerce, because e-commerce is the ultimate goal. In the choice of platform, this assumption is fatal because e-commerce tools perpetuate the strategic error of many businesses, and of manufacturing especially, of focusing too narrowly on the sale, and not on the customer experience. It turns out that traditional e-commerce platforms are both technically and tactically too outdated to deliver the experience transformation that B2B customers are waiting for.



The Ibexa DXP has absorbed the lessons of the market. Its modular architecture reflects how manufacturers and other B2B businesses need to implement and digital transformation.

At every stage of this journey, a single architecture manages and orchestrates the customer experience. A single interaction layer unifies the UX across a range of functionalities, now and in the future, as you progress towards digital maturity.

Interoperability and extensibility are the non-negotiables of a DXP. The platform has to integrate fluently with backend enterprise systems as well as other frontend systems.

For manufacturing, with its multitudes of SKUs, the Product Information Management system is decisive. So is the integration of all fulfillment and supply-chain related systems from inventory management in a multi-warehouse setup to advanced shipping processes or connectivity with different providers of the logistical supply chain to ensure traceability of the shipments.

Modular means (or should mean) that you can add more capabilities without the need for extensive and disruptive integrations. It also means that you can, depending on your maturity, opt for different options when building your digital presence. For

instance, low maturity organizations not (yet) ready to engage in composing applications from their APIs, will tend to prefer leveraging traditional Web Content Management and e-commerce capabilities in a bundle, whereas higher maturity organizations might want to compose their digital platform from various providers, leveraging REST and GraphQL APIs, in which case, they won't require the same modules as in the low maturity case.

By delivering on this, the Ibexa DXP gives you the agility of a best-of-breed approach without the downside because you are working in a single architecture with just one provider.



CONCLUSION

In today's experience economy, and even more relevant since the corona pandemic swept the world triggering economic uncertainty, B2Bs have been forced to realize that they can no longer rely on traditional rules of sales engagement.

To survive and indeed thrive in the future, they must evolve the way they sell, and to do that they need to embrace digital transformation. Over the past year in particular since the onset of the pandemic, those without a digital mindset and maturity have struggled the most, as you would expect, with some businesses unable to take orders, and others running into issues over fulfilment.

For more digitally mature manufacturers, able to pivot quickly to adjust to the crisis, COVID-19 exposed different weaknesses, especially around the robustness of the commerce platform, as traffic increased massively.

Manufacturers are now regrouping with the lessons learned from COVID-19 to continue on their journey of digital transformation. Indeed, manufacturers need to be better prepared for any crisis or disruption of demand and supply. There needs to be a shift from a reactive approach to a more proactive one which includes customer engagement and supply chain visibility where multiple information must be contextualized and visualized to improve customer experiences.

Many digitalization initiatives have been re-prioritized (remote collaboration, data monetization, more focus on resilience, sustainability, cost optimization) and many of these measures will remain post-COVID.

The pandemic reminds us of the importance of human – and digital – interconnectedness, and so affirms what organizations knew all along: that digital transformation needs to put human experience and interaction at the heart of its business.

The COVID-19 pandemic has elevated the importance of digital experiences for customers and employees. IT leaders must increase the urgency of modernization and transformation of products and services into experiences through applying digital technologies.⁸

8. Gartner: "Success in the Digital Experience Economy Requires Connecting MX, UX, CX and EX." Jason Wong, Gavin Tay, Michael Chiu, Brent Stewart, May 26, 2020.



About Ibexa

Ibexa Digital Experience Platform (DXP) enables organizations to stay competitive, optimize their revenue streams, launch new products and services and test-drive digital strategies. With Ibexa DXP, B2B companies can transform sales strategies and build frictionless buying experiences in a sustainable, cost-effective and fast manner.

Offering content creation, website building, e-commerce and personalization along with accelerated development capabilities, Ibexa helps companies to quickly embrace new business and sales strategies and build memorable experiences for their users across channels, unifying brand, content, product information, commerce and their existing business processes. With the help of our certified, trustworthy partners – digital agencies, system integrators and consultancies – they will progress in their digital transformation and quickly adapt to changing market needs while always putting the customer experience at the heart of their businesses.

Ibexa's reliable and secure DXP is trusted by thousands of users worldwide and a dedicated global partner ecosystem. Brands such as Crédit Agricole, Comscore, Hibu, Groupe Atlantic and Whirlpool rely on Ibexa as a strategic partner in their business. Founded in 1999, Ibexa is headquartered in Oslo, Norway and has offices in Germany, France, the UK, Spain, Poland, USA and Japan.

Resources

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