



Three Ways B2B Commerce Will Fundamentally Change by 2025:

And the Leadership Strategies You Can Apply to Win the Future Customer

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Executive Summary

IDC defines microservices as a software architecture that structures an application as a suite of loosely coupled services that implement business capabilities. In this InfoBrief, IDC uses the terms “microservices” and “packaged business capabilities” interchangeably.

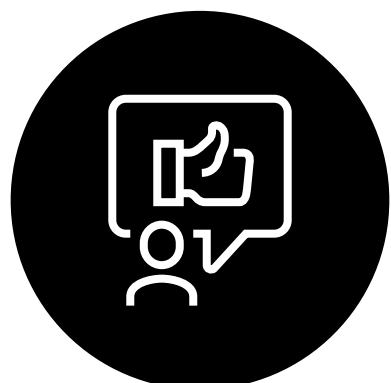


B2B commerce is undergoing significant changes. While most of today’s B2B platforms were built for yesterday’s customer journeys, business customers now expect effective, consumer-like buying experiences. B2B companies must also choose to become a commerce hub owner or an invisible supplier in an Amazon/Alibaba-dominated world.

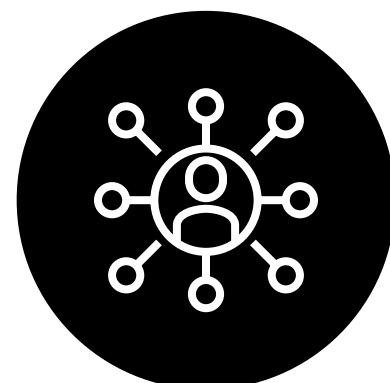
This IDC InfoBrief lays out three leadership strategies to fend off these challenges:



Assemble your commerce solution



Create appealing, consumer-like experiences



Become a commerce hub yourself

Challenges



Business customers expect effective, consumer-like buying experiences

Today’s B2B commerce platforms not fit for today’s customer journey

Increasing gap between suppliers and marketplace owners in B2B

Strategies



Abandon monolithic commerce platforms and assemble packaged business capabilities instead

Personalize for the B2B buyer

Own the commerce hub instead of being a passive supplier

Challenge 1

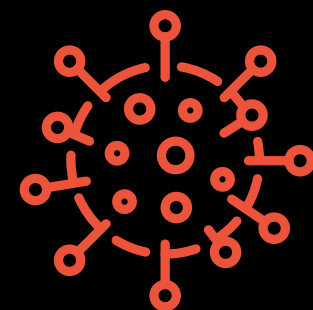
Business customers expect consumer-like buying experiences that support the complexity of B2B commerce

Commerce platforms drive digital transformation, and they must be adapted to the modern B2B customer. Delivering a highly customized commerce experience that meets the complex needs of B2B is a competitive differentiator today.

Customer expectations have drastically shifted and customers have come to expect high-value commerce business capabilities:

- Vast product catalogs with graphic content and product comparisons
- Frictionless ordering
- Ability to handle B2B complexity, such as integration with corporate procurement and ERP
- Support for business model changes, such as marketplaces with third-party products and direct to consumer engagement

IDC estimates that COVID-19 has accelerated adoption of commerce technologies by three years, propelling adoption of B2B commerce models and shifting business and purchasing habits.



Challenge 2

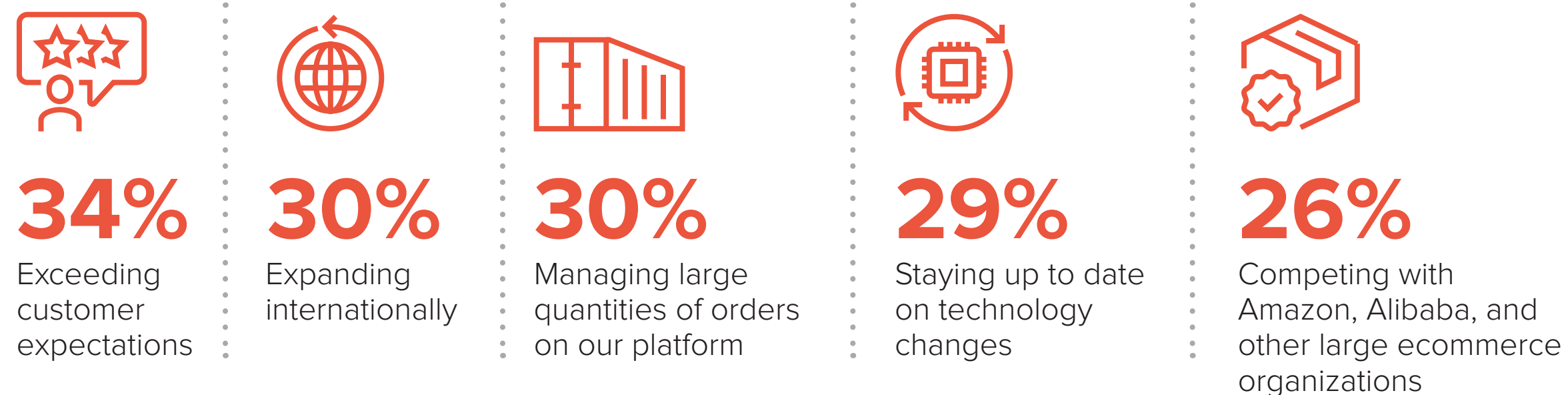
Today's B2B commerce platforms were built for yesterday's customer journey

Existing B2B commerce solutions have often been built around a customer journey that predates the iPhone.

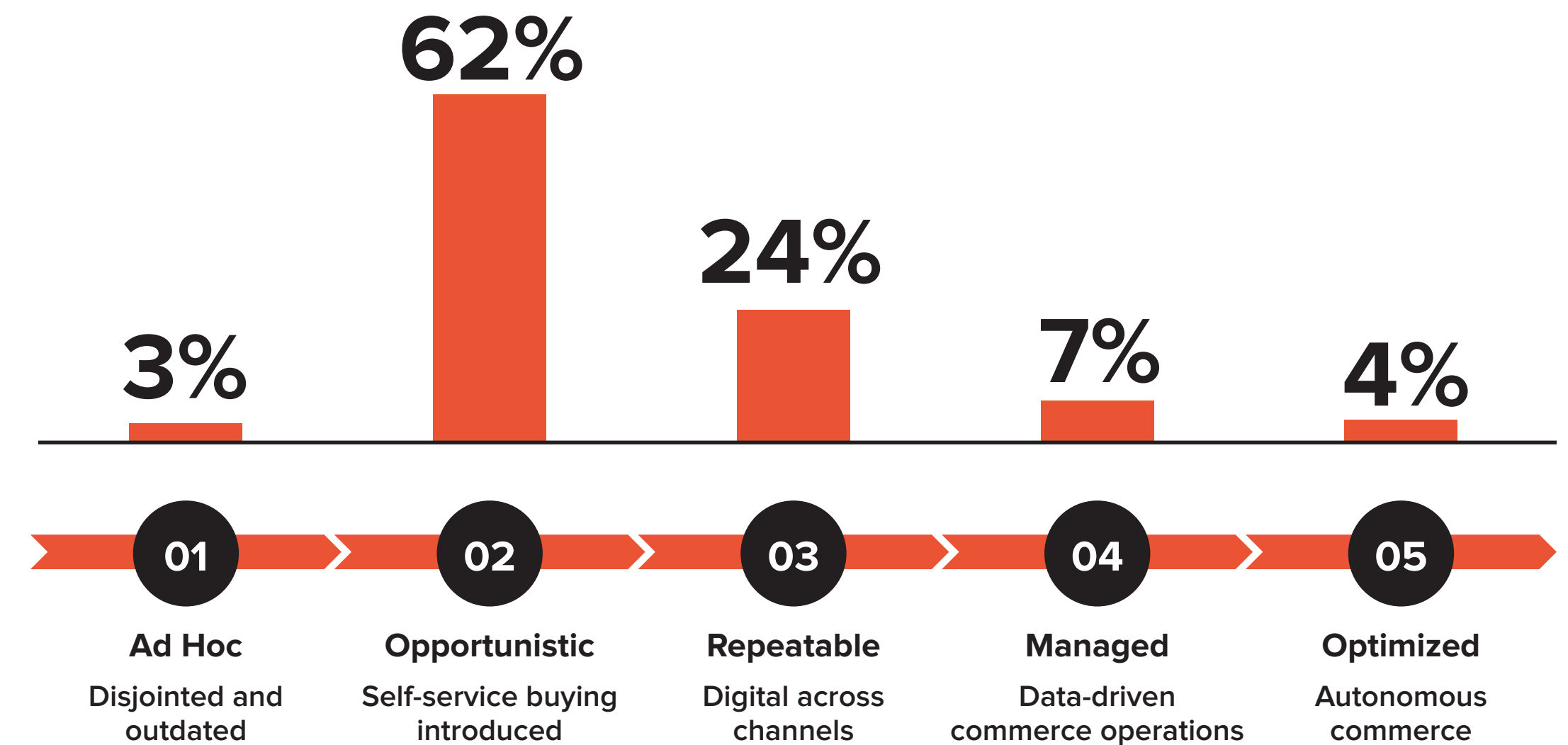
Many existing solutions suffer from the following:

- Slow to implement and complex to maintain
- Not built for mobile and have instead been refactored
- Hard to comply with local requirements (VAT, taxation, privacy, etc.) and with local consumer platforms, transactional platforms, commerce hubs, etc.
- Limited support for today's complex, disjointed, and non-linear purchasing path of business buyers
- Hard to augment core commerce capabilities with third-party leading-edge technologies, such as self-service bots, advanced personalization, and new payment methods
- Unfulfilled promises from technical microservices approaches, as opposed to pragmatic approaches with more attention to time to value of business capabilities

Q. What are the top priorities for you from a digital commerce platform?



IDC B2B Commerce MaturityScape Benchmark: majority of sellers remain in the first two stages of digital commerce maturity



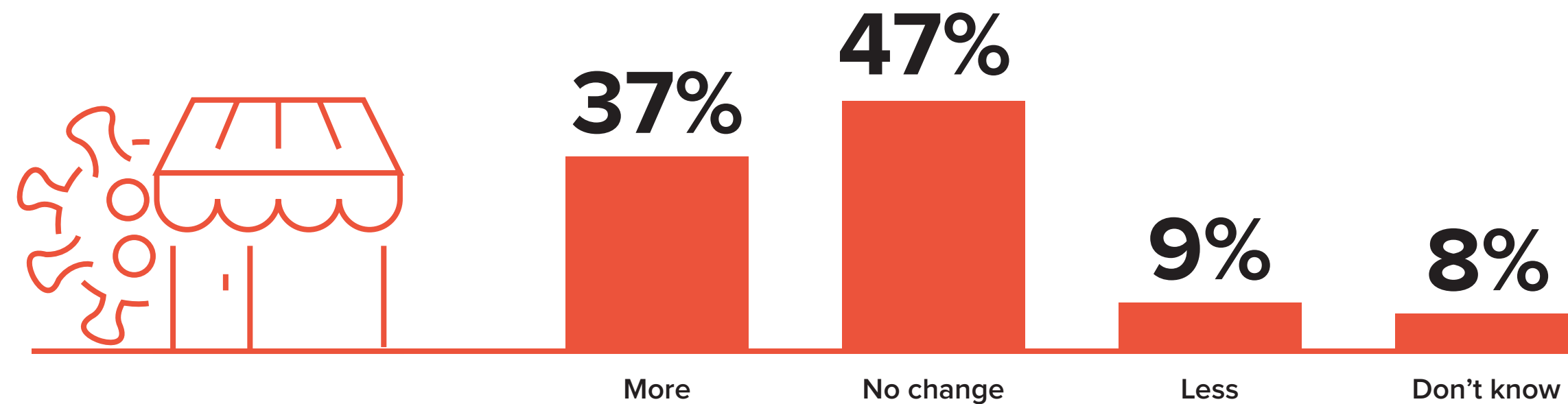
Source: IDC MaturityScape Benchmark: B2B Digital Commerce in the United States, 2020 (IDC #US43888919, June 2020)

IDC found that B2B organizations are lagging behind their B2C counterparts by about five years in terms of commerce experience engagement.

Challenge 3

Increasing gap between “suppliers” and “marketplace owners” in B2B

Q. Following the COVID-19 pandemic, do you think you will use marketplaces more or less?

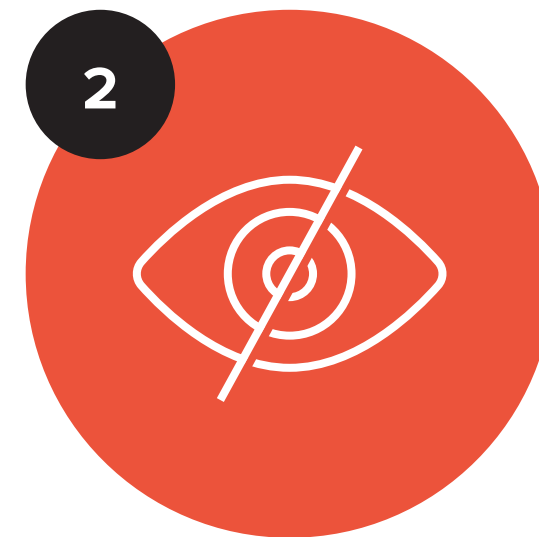


More than half of online transactions occur over digital marketplaces.

B2B companies eventually face two paths:



1
Become a commerce hub or marketplace owner

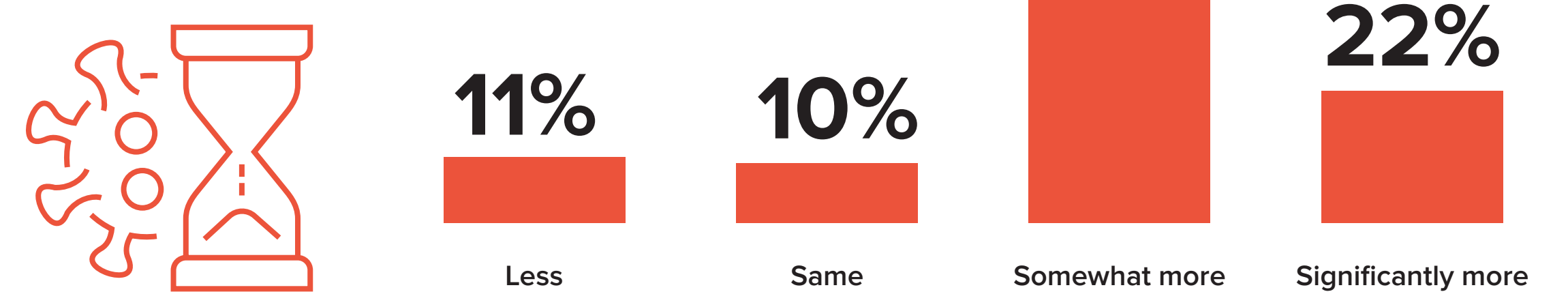


2
Become a relatively invisible supplier in an Amazon/Alibaba-dominated world

Why B2B buyers and sellers like marketplaces:

- Compelling, alternative digital revenue stream
- Enable direct customer relationships
- Wider product assortment
- Easier to browse
- Streamlined payments, fulfillment, customer service (fewer accounts)
- More geographic reach
- More competitive prices
- More information/transparency
- Lower capital expenditure for suppliers

Spend on B2B marketplaces following the COVID-19 pandemic



Source: Survey of 85 business buyers by Digital Commerce 360 B2B, 2020

Leadership strategy 1:

Abandon monolithic platforms and assemble packaged business capabilities

IDC research shows that microservices or packaged business capabilities have strong advantages, such as:

- Facilitating rapid changes to individual modules within an application, enabling the delivery of quick application changes and updates
- Enabling finely grained scaling of application components as opposed to the monolith application's requirement to scale the entire application
- Saving costs resulting from optimized resource consumption



Case study



What did it build?

- B2B suite with the integration of external systems such as the PIM solution from Spryker technology partner Akeneo and SAP for order management
- Quite complex product logic (including 500 different attributes), and hierarchies among each other

What did it achieve?

- Relaunch was implemented in only four months
- +45% revenue growth and +40% incoming orders
- All UX metrics improved: website visitors doubled, 10+ pages per visit, 5+ mins per visit
- “We’re now in a position to understand and implement digital value creation in a completely different way.” Gunther Hahn, Head of SLV Digital

What did it use?

- Spryker Cloud Commerce OS
- Partner integration: Akeneo and Inxmail

Home and Living

B2B

Manufacturing

Leadership strategy 2:

Personalize for the B2B buyer

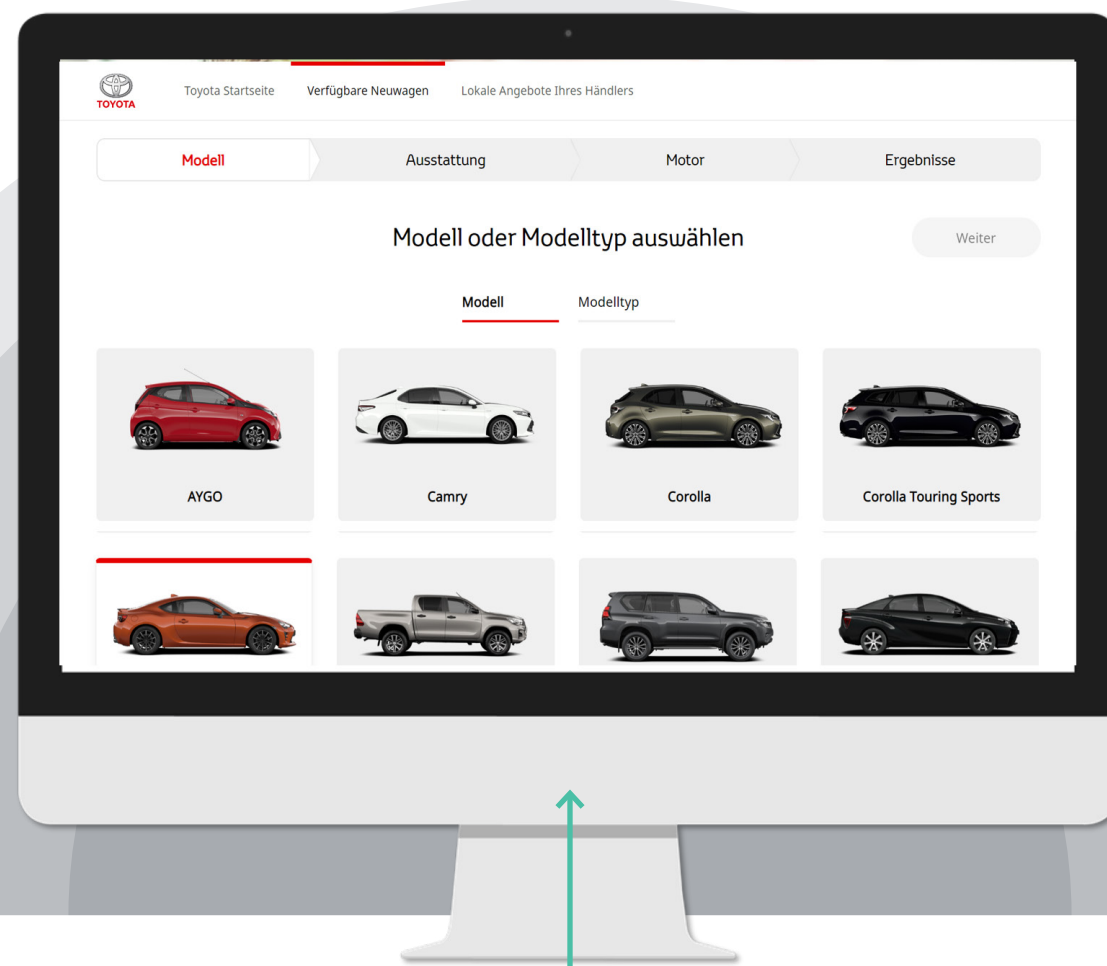


73%

of B2B buyers want a personalized, B2C-like customer experience.



Toyota worldwide



Toyota dealerships

Customers

Case study



What did it build?

- B2B2C online catalog and configurator to help its dealers showcase their products online while their dealerships were closed during COVID-19 lockdown
- 4,000 product variants
- Three different sources of product data, prices, and availability

What did it achieve?

- Launched in only three weeks
- “The flexibility is key. The Spryker offering is completely customizable, so we can use this exactly in the way we want to, and this is the most important thing. We are looking for individual customer journeys, not only for one customer journey.” Jens Brech, Director, Customer Experience, Toyota Germany

What did it use?

- Spryker Cloud Commerce OS
- AWS hosting integration

Automotive

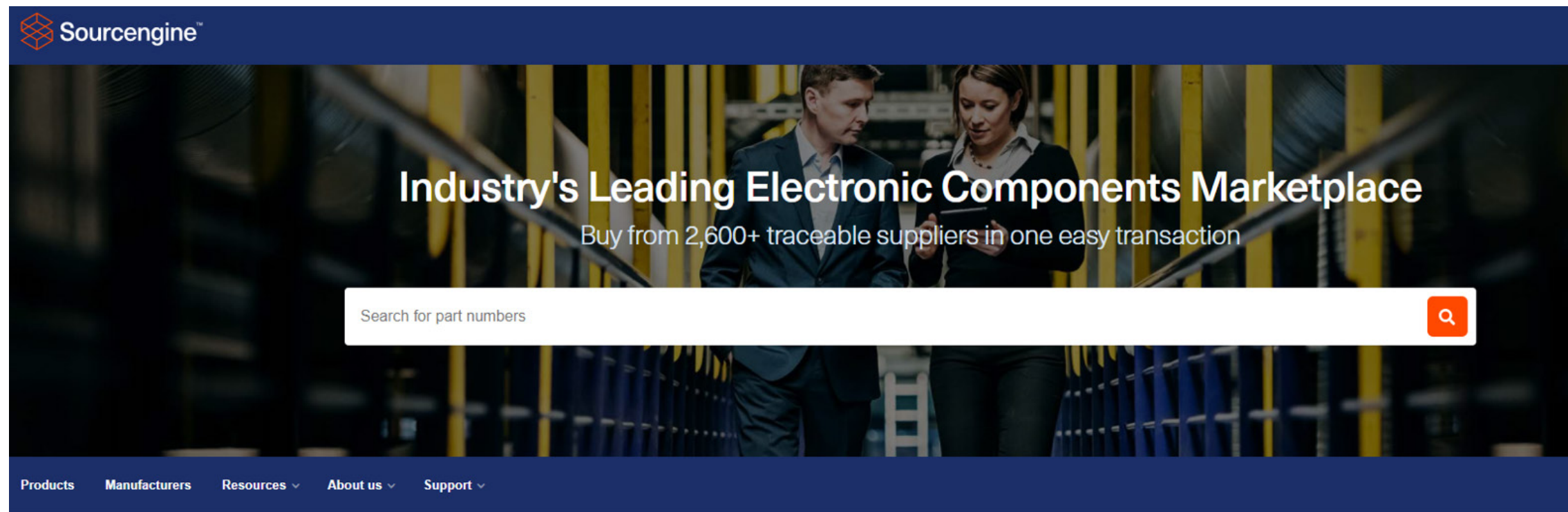
B2B

B2C

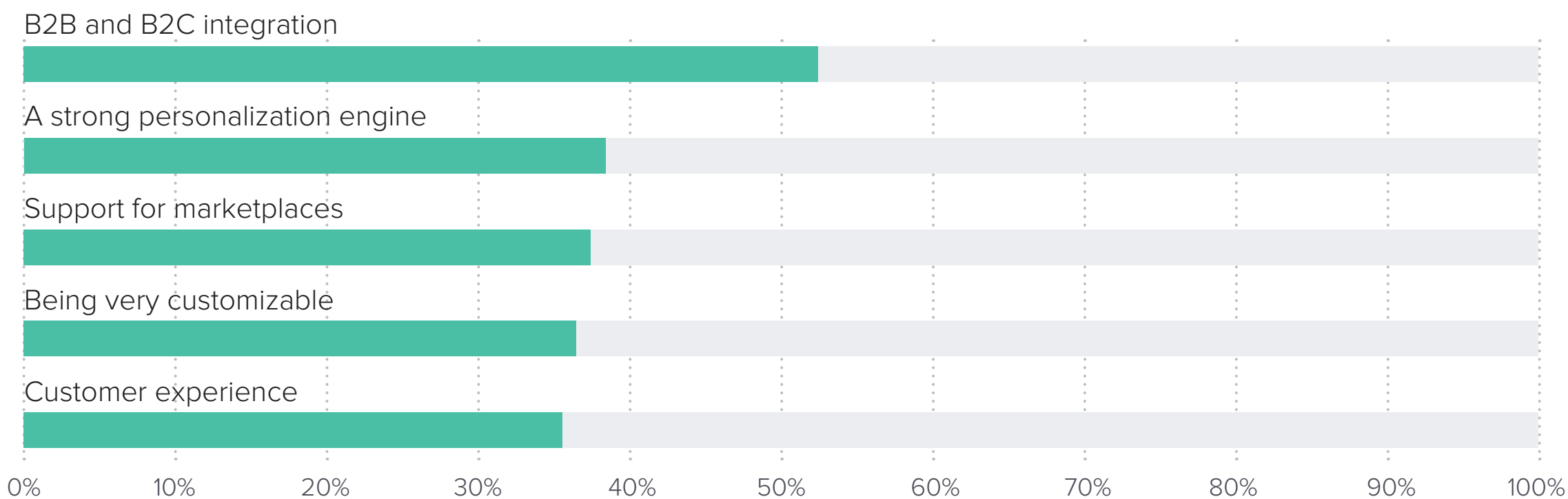
Retail

Leadership strategy 3:

Own the commerce hub instead of being a passive supplier



Q. Which of the following are the most important characteristics to support your commerce operations?



Case study



What did it build?

- A B2B marketplace that has 515 million searchable products
- Products are not saved in a database — ElasticSearch, Spryker's default search integration, keeps the speed up
- State Machine enables scheduled delivery in batches and excess handling
- Self-built feature: 2-click upload of a BOM (offline processing takes a week)

What did it achieve?

- Built a marketplace that handles Big Data
- Achieved high implementation speed
- Met the specific requirements of Sourceability
- "There haven't been any hiccups during the launch." Yashar Shahabi, Senior VP Digital Solutions, Sourceability

What did it use?

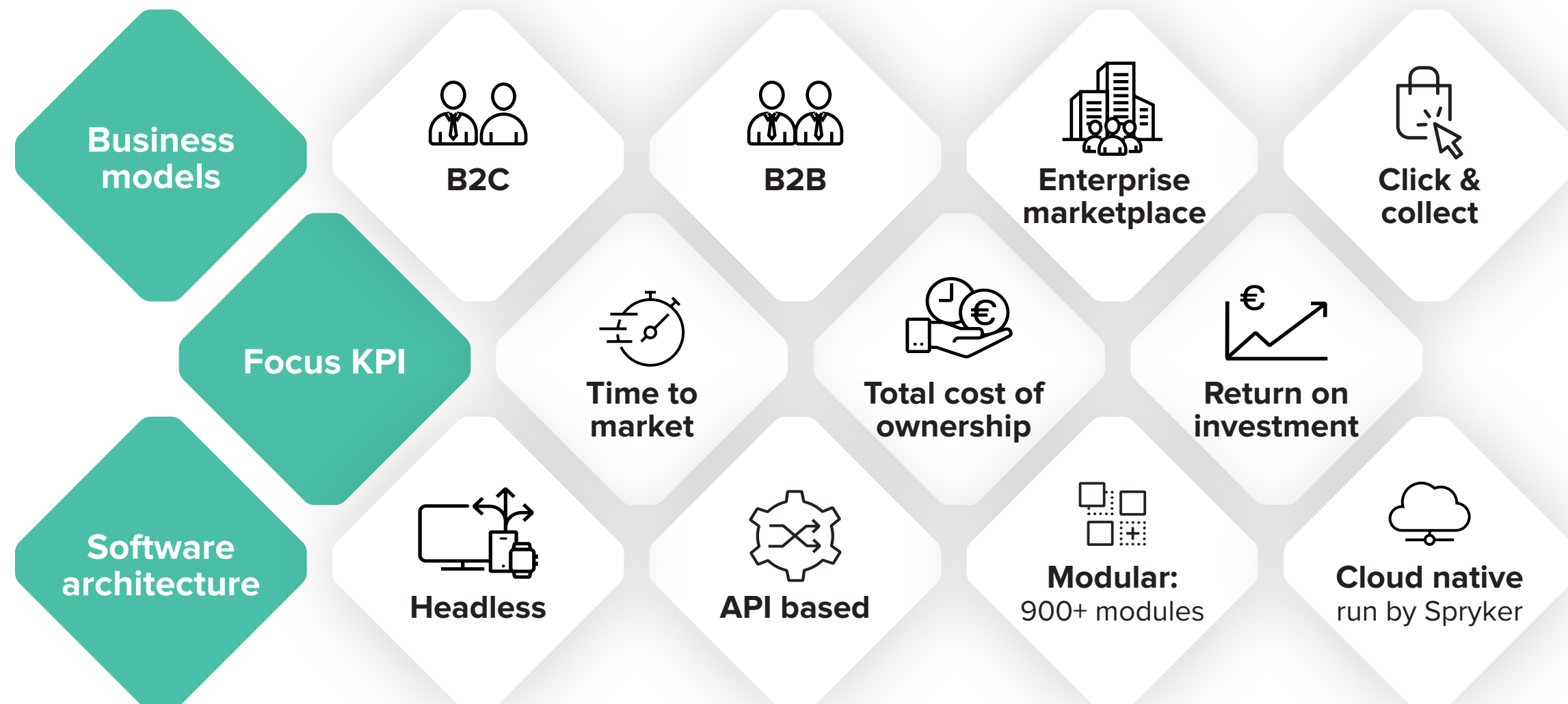
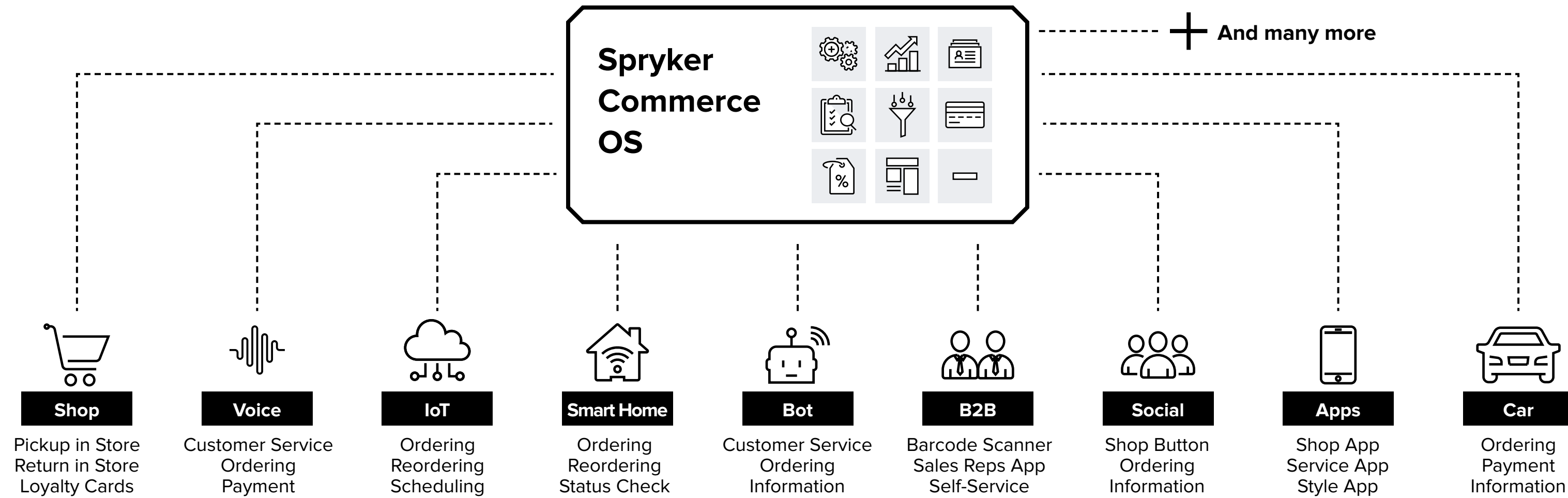
- Spryker Cloud Commerce OS

Electronics

B2B

Wholesale

Meet Spryker



- Founded in 2014
- Over 200 employees
- Over 150 customers worldwide
- Commerce platform for B2C, B2B, and enterprise marketplace
- Modern architecture for maximum extensibility and optimized maintenance
- Built to achieve fast time to market in complex commerce
- See more at spryker.com

Technology at a glance

- Next-generation architecture, written in PHP
- Offered in single-tenant and multitenant SaaS
- Offered in AWS, Azure, GDP
- Over 900 modules, to build the platform you need
- GLUE APIs to connect to any type of frontend

IDC predictions on the future of commerce



01

“Autonomous commerce” and other novel business models will gain popularity:

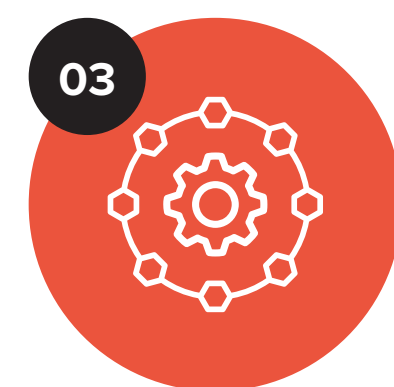
- Autonomous commerce involves orders placed without human action with sensors, vending machines, autonomous vehicles, seamless payments, intelligent appliances, etc.
- IDC predicts that by 2025, 20% of all B2B digital orders will be placed via IoT-connected commerce platforms, such as machinery ordering replacement parts or location-aware equipment.
- Other novel business models replacing traditional product purchases include as-a-service/subscriptions and consumption based.



02

Direct to consumer (D2C) will gain significant share — companies like Nike expect 50% of all their sales to be D2C by 2023, accelerated by COVID-19:

- IDC expects the D2C market to continue to heat up as mature brands enter. Lifelong B2B brand manufacturers will need to learn how to market and sell to individuals rather than wholesalers and distributors and relying on big box retailers.



03

Microservices (at the level of packaged business capabilities) will lead to flexible, modular architectures of B2B commerce solutions:

- By 2022, IDC expects 90% of all new apps to feature microservices architectures that improve the ability to design, debug, update, and leverage third-party code.



04

Marketplaces will drive commerce growth:

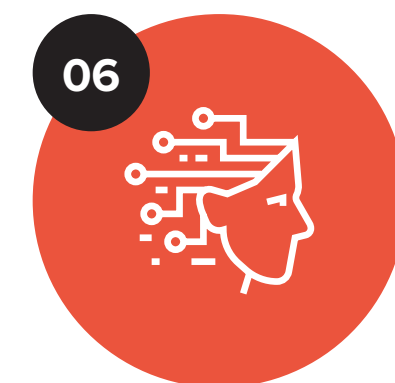
- By 2024, over 50% of all B2B digital commerce revenue will be transacted on digital marketplaces.



05

Sustainability and transparency will play more important roles as buying criteria:

- The sustainable commerce trend has already begun in B2C, driven by more sustainable materials, business practices, shipping, and transparency. This will see a large uptick in B2B, and IDC expects sustainability/ethics to show up on RFPs.



06

Artificial intelligence will influence B2B commerce:

- By 2024, 10% of all bundles (B2B and B2C) ordered will have been proposed by algorithms.
- Current efforts to segment and target customer experience in B2B will be replaced by AI-driven individualization.

About IDC



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