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**A SPONSORED SPECIAL REPORT ON THE BUSINESS-TO-CONSUMER
AND BUSINESS-TO-BUSINESS E-COMMERCE PLATFORMS THAT
PROVIDE THE TECHNOLOGY BACKBONES OF E-COMMERCE.**

Selecting and smoothly migrating to the right platform are top technology priorities for e-retailers

TODAY'S ONLINE SHOPPERS ARE MORE DEMANDING THAN EVER. No longer content with e-commerce sites that deliver content at blazing speeds, make navigation easy and offer one-page checkout, consumers now expect e-retailers to have the technical sophistication to offer features, such as real-time inventory counts, order tracking, product ratings and reviews and in-store pickup for items purchased online. And shoppers also expect retailers to deliver a satisfying shopping experience no matter what device they're using to access the web store.

To meet these expectations many e-retailers are reevaluating their e-commerce platforms to see if they are advanced enough to meet online shoppers' expectations. More often than not, e-retailers are concluding they need a new one to keep pace. In an *Internet Retailer* survey from this summer, 61% of retailers said they expect to replace their e-commerce platform within the next two years, and 62% cited e-commerce platforms as a top technology budget priority.

But selecting a new e-commerce platform is not easy. Not only must retailers choose a platform that meets their current needs, they also need to select one that meets their future needs as well.

Retailers should also think about whether they will need a systems integrator to install and customize the platform, if it makes sense to run the platform in-house or if they should go with a hosted platform or operate the platform in the cloud. With so many decisions, it's enough to set a retailer's head spinning.

"E-commerce platforms are more complex than ever, in part, because they are being designed to perform in ways originally not intended and because of all the choices e-retailers have about how to operate and maintain them," says Andy Lloyd, general manager of commerce products at NetSuite Inc., a provider of e-commerce platforms and business systems.

Before selecting a new platform, Lloyd recommends retailers first determine what kind of shopping experience their customers expect and what impact those expectations will have on their existing information technology infrastructure.

"E-commerce platforms have to seamlessly integrate with back-office systems, such as inventory and

order management and point-of-sale, so retailers can gather a 360-degree view of their customers and interact with them across every touch point in the way the customer expects," Lloyd says.

"E-commerce platforms can no longer exist in a silo."

Understanding customers' expectations

can help retailers identify the core applications they need so they can sort through the myriad options now standard on most platforms, says Kirsten Knipp, vice president of product marketing and brand for Bigcommerce, an e-commerce technology vendor. For example, a retailer that designates mobile commerce a key component of its business will want a platform that supports mobile web sites through responsive or adaptive design, Knipp says. Responsive design optimizes navigation, images and content to fit the screen of the device the consumer uses to access the site. Adaptive design uses predefined page layouts sized to fit the screen of mobile devices, tablet and desktop computers commonly used by consumers. When the device accessing the web site is detected, the site serves page layouts sized for the device.

Having richer features come standard with e-commerce platforms helps reduce development



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Vice president of product marketing and brand for Bigcommerce, an e-commerce technology vendor

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costs and the need to buy them as add-on applications. “Every feature that has to be built or bought comes with a cost, which means the money spent to develop that technology is not spent on marketing and merchandising,” Knipp says. “Not many retailers consider technology development and management a core competency. That’s why they expect richer out-of-the-box features in an e-commerce platform.”

Mobile as standard

Mobile shoppers, who move across handheld devices and desktop systems, expect retailers to deliver a consistent branding and shopping experience, no matter what device they’re using, which is why more retailers are demanding the ability to support mobile capabilities through their e-commerce platforms.

“The more agility a retailer has with its platform when it comes to features, the better positioned it is to grow its business,” says Elizabeth Hunter, vice president of e-commerce for Newgistics Inc., a provider of end-to-end e-commerce solutions and systems integration services.

Including richer standard features also enables small and midsize retailers, which typically have modest I.T. budgets, to create customer experiences similar to those offered by larger retailers. “Creating a unique customer experience is one of the challenges small and midsize retailers face,” says Ben Pressley, head of worldwide sales for e-commerce platform provider Magento Inc., a unit of eBay Inc.

Many small and midsize retailers, for example, do not have e-commerce platforms that can natively support mobile web sites and lack the financial resources to build a separate mobile site from scratch, says Pressley.

“Including responsive design in our platform makes that technology more affordable and enables small and midsize retailers to provide the mobile experiences they need to compete with larger retailers,”



BEN PRESSLEY
Head of worldwide sales for
e-commerce platform provider
Magento Inc., a unit of eBay Inc.

Pressley says. “A poor mobile experience or no mobile site can be seen by consumers as a weak point, and consumers tend to have long memories when it comes to weak points in the shopping experience.”

Limited information technology resources are not the only culprit preventing small and midsize retailers from taking their sites to the next level. A homegrown platform built using proprietary programming codes can constrain a retailer’s ability to create the dynamic shopping experiences it wants to give shoppers because adding a new shopping feature often requires substantial development work to make it operate on a custom platform.

“A lot of platforms built in-house are so heavily customized that it becomes extremely challenging to integrate third-party applications, which boxes in retailers when it comes to expanding their platform’s functionality,” Pressley says. “This is why we are seeing more retailers move off homegrown legacy systems. The less time retailers spend creating applications from scratch or writing bridge codes to integrate them into their platforms, the more time and resources they have to focus on their core marketing and merchandising capabilities to stay competitive.”

Despite their desire for more feature-rich platforms, retailers still expect to be able to customize their platforms to create a unique shopping experience. Athletic shoe retailer The Athlete’s Foot, for example, worked with a systems integrator certified by Magento to create a new site that could help boost franchise sales.

The new site featured pages where franchisees can promote their own stores and allow online shoppers to make online purchases and pick the items up at a nearby store. “E-retailers want to deliver unique customer experiences, but to do so they need a platform that is a canvas on which they create their vision,” Pressley says.

Enabling retailers to configure and access all functionality within their e-commerce platforms opens the door for creating user shopping experiences that not only differentiate brands, but make it easier for shoppers to find the exact products they want. Adding a product configurator, for example, allows a shopper to choose the features she wants and to see the finished product before she clicks the Buy button.

“Generic templates for the web store are not going to give retailers the brand differentiation they need,”

5 PM: ORDERED IT ONLINE
6 PM: PICKED IT UP IN STORE
8 PM: LOOKING FABULOUS



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says Kim Planet, vice president of professional services and e-commerce consulting for Kalio Inc., an e-commerce platform provider that serves midsized retailers. “Retailers need to be able to customize their sites in a quick and user-friendly manner.”

To enable retailers to customize their web sites, Kalio built its software-as-a-service platform using extensible and configurable components, a software engineering approach that allows users to make changes to the platform without having to write or modify the original code. Using Kalio’s Site Manager, retailers can make changes to their web sites using page configuration tools. In addition, retailers can access all business functions and product catalog information for their online stores through Site Manager.

“We see e-commerce platforms moving toward combining the ease of use of an application with the openness and customization capabilities of a platform,” Planet says. “We call the concept AppliForm, which is intended to give control over the web site to the retailer, as opposed to having to rely exclusively on a programmer to manage it. We built KalioCommerce for midsized retailers that don’t have large programming teams or resources.”

Kalio hosts its software on the Internet as a multi-tenant SaaS model. End-users receive upgrades and fixes routinely where all of the customization needed can be done without customizing the platform or getting off of the upgrade path. In contrast, with other delivery models, retailers have to spend time accepting software releases and reapplying their customizations, Planet says.

Before customizing any platform, retailers should weigh how long they expect that feature will be used against the time and cost of implementation, according to Bigcommerce’s Knipp. If the customization requires writing code outside the platform’s application programming interfaces, or APIs, retailers should check with the platform provider to see if it will

remain in place as the provider releases upgrades. APIs are sets of software instructions for integrating multiple applications.

“Being able to retain modifications is important to retailers, so that’s why we talk to our customers about ways to keep modifications made outside the scope of our APIs when a major upgrade is planned,” Knipp says. “We also offer add-on applications written using our APIs so they can keep those features when any upgrade is made.”

Getting it running

Asking the right questions can help a retailer get a clearer picture of what life will be like after its new platform is installed, instead of shopping for the platform based on features and how fast it can be installed. “Retailers want to make sure the platform provider helps them understand the full capabilities of their platform and how it can benefit their businesses,” says Newgistics’ Hunter. Though many platforms offer similar features, a modern architecture like that offered by hybris provides a completely different solution from the perspective of scalability, time to market and total cost, Hunter says.

Questions to ask platform providers include how often upgrades are released, how easily the platform can be customized and what level of support the platform provider offers beyond that of its systems integrator. Researching the platform provider through customer references, articles about the technology and third-party research companies can provide insights into whether the platform is the right fit for the retailer’s business. Just as important, retailers need to consider who will customize and integrate the solution, because those are the areas where problems are most likely to arise. “A good systems integrator will follow proven methodologies and best practices as well as rigorously test the platform prior to launch and throughout the partnership,” Hunter says.

Newgistics integrates with a retailer’s back-end systems to allow it to exchange data with the retailer’s e-commerce platform. Building these pathways can help provide retailers with better order management, as well as a complete view of their customers across multiple touch points. The pathways can also yield insights that can be leveraged to create personalized shopping experiences or targeted promotions that



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improve conversions, increase loyalty and raise the frequency of repeat purchases.

Consumers' expectations for a consistent, personalized shopping experience, regardless of the channel or device used, means systems integration skills are in demand. Their ability to connect a retailer's e-commerce platform with its legacy back-office systems means a merchant can identify its most profitable customers and better serve them.

"If back-office systems and e-commerce platforms operate in their own silos a retailer's real-time visibility into customer behaviors across all channels, and their business, is limited," says NetSuite's Lloyd. "Without that level of visibility retailers will have a harder time delivering the kind of shopping experience consumers expect."

For a multichannel retailer, linking its e-commerce platform with its inventory and order management systems, for example, makes it possible to fill an online order from a store when the item is out of stock in the warehouse or the retailer is looking to clear out in-store stock. Conversely, in-store sales associates can order an out-of-stock item online. "In both instances the retailer can save the sale," Lloyd says.

Making a shopper's order history available to customer service representatives or in-store sales associates can provide information about the customer's preferences that can lead to cross-selling and upselling opportunities. "Connecting the e-commerce platform and back-office systems can create higher customer satisfaction," says Lloyd. "Not making the connection between these systems can lead to a disappointing customer experience."

NetSuite's Suite Commerce platform provides a cloud-based commerce solution that natively integrates e-commerce and in-store point-of-sale with various business systems, including CRM, order management and financials.

Connecting everything

Connecting e-commerce platforms and back-office systems makes it easier for retailers to build multiple sites, whether for sister brands or international markets, and to manage those sites through a single administrative interface. "Expansion into international markets is a key growth strategy for many retailers today," says Magento's Pressley. "Having an e-commerce platform

that is designed to simplify adding and managing international sites from the back-end is critical. Those are huge benefits for retailers."

Magento's Enterprise Edition can support up to 19 different store views through its administrative dashboard. In addition, the platform allows shoppers to search for products by such attributes as price, color and category. Retailers can also track customer behavior traits to develop targeted offers and marketing campaigns.

Beyond integration needs, e-commerce professionals at mid-market retailers wear many hats. These e-commerce professionals must deal with many web site touch points such as the call center or catalog,

and devices such as tablet, mobile and desktop. "There is a huge opportunity for retailers to improve the web site shopping experience continuously by being able to quickly respond, make changes, test, measure and analyze shoppers' behaviors," says Kalio's Planet.

An emerging opportunity for retailers is to cater to distinctive customer segments and seasonality by testing what features work for each segment and season. Shoppers looking for a specific product are going to have a different path to purchase than shoppers browsing for gifts. Also, a feature that may be relevant in one season, such as a gift finder during the holidays, may distract from the purchase process shoppers use during non-holiday periods.

"The key is to test to find out what does and doesn't work," Planet says. "Most retailers know what they would like to do, but fall behind due to all the day-to-day maintenance tasks and bottlenecks that prevent them from reaching their potential. Having control and flexibility in their e-commerce platform enables retailers to keep innovating, and focus on revenue-generating ideas."

Before retailers jump feet-first into creating an omnichannel experience, Bigcommerce's Knipp recommends they first learn what their customers



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expect from omnichannel shopping and provide the most popular features first, then add more features as customer demand dictates.

“Going from zero to 60 overnight when creating an omnichannel experience is not realistic,” she says. “Rushing development without first finding out what customers want can lead to mistakes. If being able to buy online and pick up in-store is what customers want the most, then that’s what retailers ought to give them. Alternatively, there is a different solution if shoppers simply want the flexibility to use coupons and promos in a store or online. It’s better to know customers’ needs and roll out new capabilities in steps.”

Integrating applications

Since most add-on applications to an e-commerce platform come from other vendors, finding the right applications can be a time-consuming task for retailers. To simplify the process, some systems integrators bundle applications with the platforms they support.

AT&T, for example, bundles what it considers best-of-breed third-party applications for midsized retailers through its AT&T Commerce to Go platform, an on-demand offer that includes software, hosting and application management services.

This offering specializes in servicing midsized retailers, which AT&T believes is an underserved segment of e-retailers with its own unique needs.

“It can be overwhelming for midsized retailers to wade through the choices of add-on applications to their platforms, so we try to make it easier by offering retailers a single source for third-party applications,” says David Watkins, director of e-commerce application management for AT&T. “We bundle core third-party components that retailers can use right away and that they can continue to use as their businesses expand.”

Bundling applications and providing support for them also spares retailers from having to rely on multiple application providers for technical support.

“Our approach to bundling spares retailers from being the mediator between several vendors during implementation and support,” Watkins says.

Bundling also simplifies the costs associated with purchasing separate services or paying licensing fees. “In some cases small and midsized retailers get access to applications that can level the playing field with larger retailers, but which they might not otherwise be able to afford,” Watkins says.

In addition to e-mail marketing analytics and rating and reviews, AT&T includes connectivity to popular social networking platforms so consumers can share their preferences with the retailer on their social networking page and post product ratings and reviews. Retailers can interact with their customers, which opens the door for creating a network of brand ambassadors that are rewarded with special offers for promoting its brand through blogs and interactions with others in their social network.

AT&T Commerce to Go, which runs on AT&T’s global network, scales server capacity to meet demand. With AT&T managed security services, AT&T monitors a site’s traffic to identify threats and perform platform security analyses. When AT&T detects a security threat, it dispatches security analysts to recommend steps to mitigate or neutralize the threat. E-retailers pay a monthly fee for AT&T Commerce to Go.

Pros and cons

E-retailers face several choices when it comes to e-commerce platform operation: in-house management, a hosted solution, or software-as-a-service or a cloud-based solution. Because of the increasing complexity of e-commerce platforms, unless a retailer has the technical expertise and staff to install and maintain its platform, Robert Miggins, senior vice president of business development for Peer 1 Hosting, recommends choosing one of the latter three options.

Whether a retailer chooses a hosted, SaaS or cloud-based solution depends on its needs. Retailers looking for a low-cost hosting solution will want to consider SaaS or cloud-based hosting, as they are less expensive than a traditional hosted solution, which requires the retailer to either purchase the platform software or pay a hefty licensing fee to run it.

The advantage of a traditional hosted solution is that it operates on a dedicated server, as opposed to



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Director of e-commerce
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for AT&T Commerce to Go,
a platform that runs on
AT&T Inc.’s global network

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being in a multi-tenant environment that hosts several retailers on a single server all running the same version of an e-commerce platform, which is common with a SaaS-based platform.

“One drawback to a multi-tenant SaaS solution is that if one tenant on the server suddenly experiences a huge unexpected spike in traffic or a denial-of-service attack, it draws the bulk of the server’s resources to operate its site, which can create performance problems for the other tenants,” Miggins says. “With a managed solution the risk of this problem goes away.”

Hosted solutions also provide retailers with more control over customizing their platforms, as they are not sharing the software with other retailers. “In a multi-tenant environment, changes made to the platform have to benefit everyone so they can’t be customized for any one tenant,” Miggins says.

One advantage of a SaaS-based platform is that retailers do not pay licensing fees. Instead, they typically pay a monthly service fee, which can be more attractive financially. Maintenance and upgrades are typically bundled into the monthly fee.

“Retailers need to take into consideration the total cost of the platform, which includes operating and maintenance after installation, not just the purchase price,” says Bigcommerce’s Knipp.

Bigcommerce’s monthly hosting fees range from \$29.95 for its most basic platform to a \$999 starting point for its enterprise edition platform.

Retailers choosing cloud-based hosting usually have an advantage when it comes to scalability, because cloud-based platforms typically offer unlimited scaling as part of the service fee. With cloud-based hosting, applications within the e-commerce platform are spread out across multiple servers, known as a cluster. As activity on the retailer’s web site kicks up, other servers are enlisted to handle the load, enabling rapid scalability. Rapid scalability can be a substantial benefit to a retailer whose business is undergoing a



ROBERT MIGGINS
Senior vice president of
business development for
Peer 1 Hosting, a provider of
hosting and network services

sustained growth spurt or that regularly sees traffic spikes immediately after launching a new marketing campaign or promotion.

A drawback to cloud hosting services, however, is that they are not immune to unscheduled downtime.

One option for a retailer wanting to leverage the cloud’s scalability while minimizing the risk of downtime is to use the public cloud for data storage rather than hosting its e-commerce platform. “Because stored data is not critical to day-to-day operation of the platform, it is a candidate for residing in the cloud,” Miggins says.

As part of its cloud-based hosting Peer 1 offers auto-scaling, a command to immediately scale server capacity when site traffic reaches a specific level for a certain period of time. Peer 1 hosts such e-commerce platforms as IBM WebSphere, Oracle ATG, Hybris, Znode, Magento and Broadleaf, manages all PCI data compliance requirements, deploys firewalls and monitors all client platforms for declines in performance and security threats, such as denial of service attacks.

For all the bells and whistles that are now part of e-commerce platforms, scalability and security still remain key features of any platform. “Platform performance and security directly impact a retailer’s brand, but they are features retailers can overlook when selecting a platform,” says AT&T’s Watkins.

AT&T offers network-based firewalls deployed through its cloud infrastructure as part of its hosting services. The advantage of a network-based firewall versus one maintained in-house is that many retailers lack the staff to continually strengthen their firewalls to protect their web sites from increasingly sophisticated malware that can disrupt service or open a back door for criminals to steal consumer data.

“Having firewalls updated as part of its managed hosting service spares retailers the expense of hiring a dedicated staff to implement firewall upgrades and update platform security policies,” Watkins says. “A hosting provider can also offer a set of infrastructure redundancies and network protections, which is needed in the event of a denial-of-service attack.”

To mitigate the risk of a denial-of-service attack experts recommend retailers or e-commerce platform vendors have protections in place from the infrastructure out through the network.

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Watkins says one feature of AT&T's e-commerce solutions that retailers often overlook when they evaluate platforms is that AT&T has content delivery services spread across a global network of servers, which can help defend against denial-of-service attacks.

Troubleshooting

After a retailer implements an e-commerce platform, it may require ongoing support to optimize the customer experience. For example, a retailer that wants to add a new social integration on the product detail page may need technical support.

"Ongoing technical support is a key to success, because most retailers don't have the resources to hire a team to support its platform," says Newgistics' Hunter. "Reliable support ensures that when customer or performance issues occur they are quickly resolved." Regular testing of the platform to identify performance issues, especially after a change has been made to the web site, is extremely important. "Testing should not be an occasional event, but part of an ongoing support relationship with the retailer," Hunter says.

Newgistics' end-to-end e-commerce solution includes web design, implementation, web hosting and support, order fulfillment, parcel delivery and returns. The solution helps retailers connect their web stores to back-office systems to give them a single view of their customers' behaviors, their product orders and inventory.

"What we offer is retail expertise across leading e-commerce retailers, a proven and reliable systems integrator and a comprehensive platform that can be deployed quickly and that scales seamlessly as a retailer's business grows, so the retailer does not have to be concerned with outgrowing its platform," Hunter says.

Despite the advances that e-commerce systems have undergone, consumers' expectations that retailers create a more integrated shopping

experience between their online and offline sales channels means their platforms may have a shorter life than expected. One telltale sign the time has come to replace an e-commerce platform is how much time a retailer spends adding software patches and maintaining its network, says NetSuite's Lloyd.

"If maintaining the platform is getting in the way of creating new customer experiences, then it is time to think about replatforming," he says.

Based on the current rate of change in e-commerce platform features, retailers can expect to replace their platforms about every three years, according to Peer 1's Miggins. "As unappetizing as the thought of replatforming can be for retailers, in some cases it is the only way they can leapfrog technologically," he says. "A good way to look at replatforming is that it is a necessity, same as when businesses have to move to the latest edition of Windows every few years to keep their office technology current."

One of the biggest questions to ask of platform providers is what is the total cost of owning the new platform? "That's a key question, because if platform operating costs rise quicker than revenues, it ties up financial resources that can be applied to marketing," says Bigcommerce's Knipp.

To illustrate her point, Knipp cites the decision by US Patriot Tactical, a retailer of boots, apparel and gear for military personnel, to switch to Bigcommerce's platform from its highly customized platform. After switching platforms, the retailer saw its site performance improve while its platform operating costs decreased. It then applied the savings toward increasing search engine-friendly content on its site to boost its organic search rankings. The payoff has been an increase in sales, Knipp says.

With more retailers looking to create shopping experiences that will keep their brands top of mind and increase sales, platforms that free them from managing their systems so they can focus on their core competencies and maximize revenue are sure to be high on their wish list.

"Retailers want a platform that is capable of helping them wring out the cost of providing a consistent and compelling shopping experience, regardless of the sales channel or the device used to access it, so those savings can be applied to finding new ways to grow their business," says Magento's Pressley. □



ELIZABETH HUNTER
Vice president of e-commerce
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of end-to-end e-commerce
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integration services

E-commerce raises the stakes for B2B suppliers

B2B SUPPLIERS REALIZE that if they are to grow their businesses, lower operating costs, and, most importantly, keep customers happy, they need to set up e-commerce sites that are as slick as any their customers visit outside of work.

These benefits, combined with the high rate of return they get from investing in B2B e-commerce, are prompting B2B businesses to embrace e-commerce. A recent study by Forrester Research Inc. conducted for EPiServer, a provider of B2B e-commerce software, revealed suppliers believe that on average 31% of the revenue booked through their B2B e-commerce sites is incremental to what they would otherwise get without an e-commerce web site. In addition, average order values increase while the cost of processing an order decreases. That's a potent combination for B2B suppliers looking for an edge on their competitors.

"Many B2B suppliers are realizing the value e-commerce brings to their businesses and that if they don't offer e-commerce, their customers will start going elsewhere," says Bob Egner, vice president of product management for EPiServer.

Having an e-commerce site provides a new way for B2B suppliers to interact with customers on a more personal level. Suppliers can allow buyers to set up automatic reorders for products they buy monthly or suggest related items, such as cleaning supplies when a customer places an order for mops and buckets. "An e-commerce site lets a supplier take a more customer-centric approach to its business and that can engender greater loyalty," Egner says.

Letting buyers set up automatic reorders, for example, can shorten the turnaround time for getting restocked because buyers don't have to call a sales representative to place an order or wait for him to stop by as part of his monthly rounds. "This way buyers know the order will be placed before they run too low," Egner says.



BOB EGNER
Vice president of product
management at e-commerce
platform provider EPiServer

Keeping up with such B2B e-commerce trendsetters as Amazon Supply and W.W. Grainger requires an e-commerce platform that delivers the features and user experiences B2B buyers expect. "Enabling buyers to set spending limits for individuals on their account, being able to save an order and pull it up at a later date and enabling orders to be placed from mobile devices are the kinds of features buyers want," says Linda Taddonio, chief e-commerce strategy officer for Insite Software, whose products include InsiteCommerce, a B2B e-commerce platform.

Because B2B buyers like the 24/7 convenience e-commerce sites provide, experts recommend suppliers offer self-service features to further reduce the friction of transacting with them. Dashboards that show open order status, orders requiring approval or the status of a quote are self-service features that make a B2B buyer's job easier.

"Buyers' exposure to e-commerce sites is creating a strong demand for more sophisticated self-service features," Taddonio says.

How to sell it to customers

Suppliers looking to create successful e-commerce offerings need to make sure their customers know their sites exist and how to use them. As simple as that may sound, it is not a given. This is where suppliers' feet-on-the-street sales forces come into play. They should be instructed to promote the site to their clients and walk them through how to use site features. "Onboarding users to the site has to be an intentional program and supported by additional tools, such as videos and documents explaining how to use the site, to help users gain familiarity with the site as quickly as possible," Taddonio says. "If customers don't know about the capabilities of the site or encounter barriers to using it, their adoption will be low."

Once buyers start using the site, suppliers can track their customers' behaviors and purchase frequencies and develop strategies to increase their order value. "We have one supplier that tweaked its system to notify buyers by e-mail when they approach their credit limits," Egner says, by way of an example.

While the supplier's e-mail can help a buyer stay within her budget, it also includes an offer to increase her credit limit. "This way the client can decide if she wants to keep purchasing or stop," Egner says.

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Another innovative way suppliers can leverage their e-commerce sites is to track abandoned shopping carts and the type of products left in them. By reaching out to buyers to find out why they abandoned the cart, suppliers can take steps to improve order conversions.

"Maybe the buyer needed more detail about the product or felt the price was too high," Taddonio says. "If more information is needed, for example, the supplier can immediately send it to the buyer, and then add the new information to the product content on the web site, thereby improving the experience for all future buyers. Or, if the buyer felt the price was too high, the supplier can work out a one-time or long-term discount pricing program."

In addition to supporting multiple sites for a supplier's e-business strategy, the InsiteCommerce platform includes ready-to-deploy web pages. This enables suppliers to get a site up and running quickly and at a very competitive cost, while still allowing them to enhance each page to their specifications and business rules.

Going the extra mile

Just as in business-to-consumer e-commerce, opportunities exist for B2B suppliers to engender customer loyalty through personalization. A product configurator, for example, lets buyers build a version of the item to their specifications and shows them the finished product. "A product configurator can help make a buyer more confident about the item he's purchasing," Egner says.

EPiServer Commerce allows suppliers to segment buyers into multiple customer groups to which it can pitch such personalized promotions as tiered pricing tied to master price agreements, specific catalogs of products and volume discounts. Suppliers can also take advantage of guided selling techniques to show customers products others bought when they purchased the same item.

While customer data gathered from an e-commerce platform can create numerous marketing opportunities, InsiteCommerce's Taddonio recommends suppliers focus their attention on engendering the loyalty of existing customers before trying to attract new customers.



LINDA TADDONIO
Chief e-commerce strategy
officer at B2B e-commerce
platform provider
InsiteCommerce

"Increasing existing customers' order sizes and order frequencies should be at the top of every suppliers' list today because they are vulnerable to competitors innovating at a very rapid pace," she says. "Likewise, we live in an increasingly social world where high value is placed on the opinions of peers. Suppliers should expect that word of the capabilities competitors are incorporating in their e-commerce offerings will spread among buyers in their vertical markets through user conferences and other social channels."

After a supplier has gained adoption with its existing customers it can focus on attracting new customers, Taddonio says.

Besides increasing order profitability by an average of more than 30%, the Forrester/EPiServer report says an e-commerce site lowers order processing costs by 28%. Much of the savings come from automating manual processes. "Lower operating costs improve profitability," Egner says.

One stumbling block to suppliers implementing an e-commerce platform has been the perceived high cost of doing so. One way suppliers are reducing those costs is by opting for a software-as-a-service, web-based platform. 30% of respondents to the Forrester/EPiServer survey said using the SaaS model kept their cost of deployment under \$1 million, compared to 10% of respondents that used a hosted model. In addition, 42% of respondents currently deploying B2B e-commerce sites say they are adopting a SaaS model.

Experts recommend suppliers first determine the kind of experience their buyers want online, then select an e-commerce platform that can support that experience. Involving buyers throughout the development process ensures the platform will meet their needs.

"There are a lot of lessons we can learn from the B2C retail e-commerce market where an e-commerce platform is not selected until the desired user experience is defined," Egner says. "When suppliers finally select a platform, they want to go with a platform provider that has B2B experience and that knows the potential installation issues that can arise and how to solve them."

Developing a successful e-commerce strategy also requires an executive champion to direct it.

"As e-business initiatives become established, suppliers are starting to transition their organizational structures to recognize the importance of a chief marketing officer," says Taddonio. "Designating a CMO to head up their e-commerce initiative not only means that decisions around their strategy will be driven from the top down, but that they will be better positioned to get out in front of the changes e-commerce is bringing to the world of B2B sales." ■