

INDUSTRIAL DISTRIBUTORS

E-Commerce Apruval Rating Report



apruve

Introduction

B2B eCommerce continues to be a new frontier. A significant percentage of manufacturers, distributors, and wholesalers are still using printed catalogs, phone, and fax for taking orders. These outdated methods will negatively effect their ability to grow and manage their business.

Ecommerce is the future of B2B selling.

At Apruve, our entire business is based upon serving the needs of B2B eCommerce sellers and their buyers. We strive to closely understand what's happening in this market from a number of angles with quantitative, measurable data.

Based on our research, we have published a series of reports measuring the eCommerce presence of B2B sellers in various vertical markets using the "Apruval Rating" - a calculation of various metrics related to a seller's online store and how they interact with their business customer.

This report focuses on *Industrial Distributors*, a group of businesses in various stages of eCommerce adoption that are still learning how eCommerce can positively impact their business.

We hope you enjoy this report.

Michael Noble
CEO
Apruve, Inc.

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eCommerce Statistics

of B2B customers use mobile devices to purchase.

42%

76%

of buyers say that the most important factor is ease of finding information.

50%

of B2B buyers are millennials.

of B2B decision makers attribute digital commerce to their expected growth.

89%

40%

of eCommerce websites use algorithms to give dynamic pricing.

of B2B buying decisions are made prior to engaging with a sales team.

57%

74%

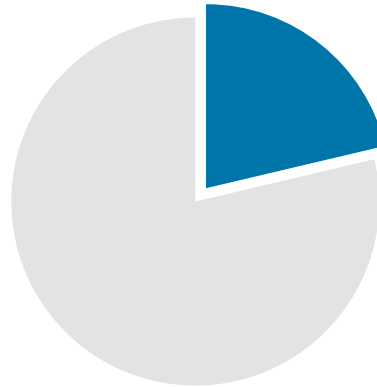
of B2B buyers research products online before purchasing.

Report Highlights



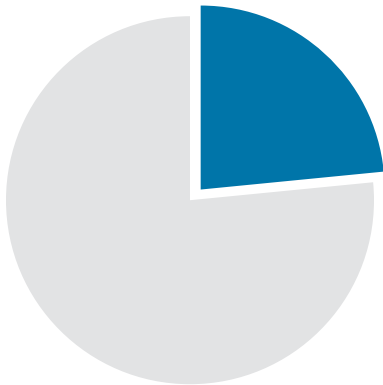
10%

of distributors offer a mobile application.



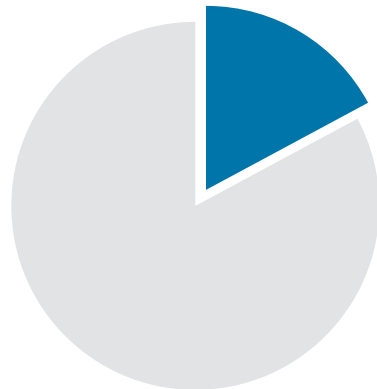
20%

of companies offer a credit application for new customers.



24%

of websites evaluated offer a reordering function to customers.



18%

of companies offer product reviews, a common feature in eCommerce.



28%

offer digital invoicing for customers, a necessary B2B function.

Methodology & Classes

CRITERIA



User Experience & Usability

- High resolution product images
- Bundle options
- Ratings and reviews on the product page
- Save a shopping cart/wish-list
- Responsive



B2B Product needs

- Dealer channels with search functionality
- Options to store credit cards
- Advertise volume discounts
- Offers credit/financing for purchases
- Online POs and invoices



Marketing & Shipping

- Product and service marketing
- Search engine ranking
- Application for mobile use
- Multiple shipping options
- Deals on shipping
- Ability to reorder

Industry Performance

| | UX | MARKETING | B2B NEEDS | TOTAL |
|---------------------|------|-----------|-----------|-------|
| Average | 44 | 20.4 | 97.9 | 162.3 |
| High | 70 | 60 | 135 | 265 |
| Low | 25 | 2.1 | 70 | 97.1 |
| Top 5 averages | 60 | 42.3 | 124 | 226.3 |
| All other companies | 42.2 | 18.2 | 95 | 155.5 |
| Perfect Score | 90 | 70 | 140 | 300 |

Top 5 Ranking Companies

| COMPANY | RATING | RANK |
|-----------------------|--------|------|
| W.W. Grainger | 245 | 1 |
| HD Supply | 233.6 | 2 |
| Global Industrial | 227.1 | 3 |
| MSC Industrial Supply | 223 | 4 |
| Motion Industries | 203 | 5 |

Out of 300

Rating Scale

>200

Superior

Superior companies provide B2B customers with an excellent website experience, multiple ways to purchase, and provides comprehensive product information to customers.

199-175

Sufficient

Companies give B2B customers a proficient website experience, but are missing some key B2B needs like checkout and financing options.

<174

Average

B2B customers looking to purchase might find it difficult to find and navigate the website, and will find it problematic to make purchases online.

Findings

Locked vs. Unlocked Sites

Many distributors in the industrial field have opted to lock their entire eCommerce site to make it viewable only to registered accounts. This decision is typically an attempt to hide pricing from competitors and not to advertise proprietary information or customer specific pricing to the general public.

Years ago, locking sites was the only way to offer protection from these competitive risks, but this decision comes with significant repercussions of minimal customer acquisition, lower search ranking, and increased sales friction.

With today's eCommerce technology, it is no longer about locking or not locking your site; it is about what information should only be shown to registered users. By implementing a dynamic eCommerce site, you can show registered users custom pricing and product information. By implementing a dynamic eCommerce site, distributors can still protect their proprietary information while taking advantage of the marketing and sales benefits of a public eCommerce site.

Marketing Efforts

In the research collected for the Apruval rating, two key statistics that are taken into account are Search Engine Ranking and Search Engine Marketing (SEM). These two statistics tell a lot about a company's ability to acquire new customers. The research turned up some interesting results, in that many companies had very low search engine ranking and no SEM. Whatever the factors might be for this, these statistics need to change if these distributors want to attract new customers.

SEO

Weak search performance may be due to having a locked site that cannot be crawled by search engines or due to product pages that are improperly labeled or lack thorough content that search engines, like Google, label as being credible.

If a company is looking to drive more sales and traffic through their eCommerce site, it is crucial their website is not locked and uses precise keywords, meta-data, and extensive product information on each product page.

SEM

Making it easy for buyers to find you when they are ready to make a purchase is the ideal situation for all eCommerce sites. Yet, industrial distributors are commonly overlooking the most prevalent way to acquire new customers and leaving money on the table.

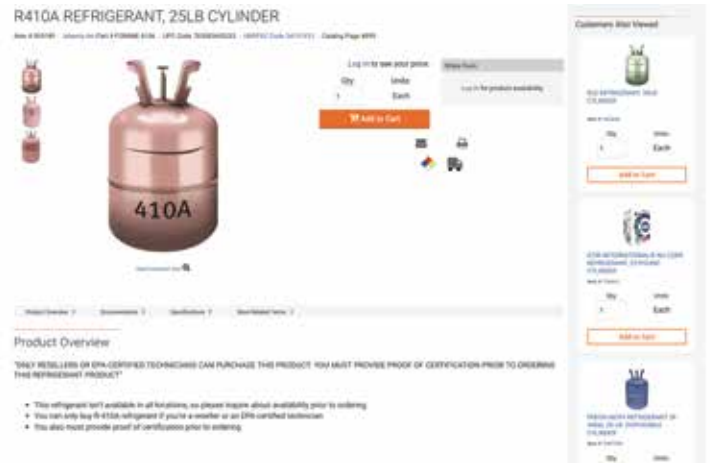
By using advertising platforms like Bing, or Google Adwords, a distributor can buy keywords that are product specific and direct new users immediately into a point of sale.

Case Studies

SupplyWorks

Though SupplyWorks did not place in the top 5, their website and its functionality made them an honorable mention. Their site has many of the functions that are required for today's eCommerce standards, like recommended products and offering a mobile application that the majority of eCommerce buyers are looking for when procuring for their business.

Supply Works stands out from the competition through their site's aesthetics and functionality. The simple layout allows any user to navigate easily, and their long product descriptions make it effortless to search for exact products.



MSC Industrial Supply

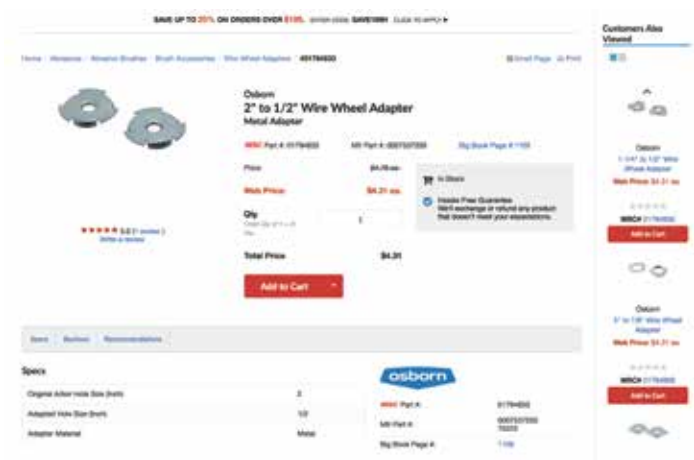
MSC Industrial Supply is a clear top 5 website. Their eCommerce site's native design keeps customers on the site longer while quickly navigating them through their site.

One of MSC Industrial's biggest offerings is ratings and reviews. Not only do they offer reviews, but they have a section based on highest reviewed items by customers. Giving

reviews allows potential buyers to feel safer when making a first time purchase. Research has also shown that 72% of people trust online reviews as much as a personal recommendation. (Source: Neil Patel)

MSC Industrial shows their prices for products, and also has sections dedicated to recommended products, and similar items that customers reviewed. Both of these resources help the customer make informed decisions.

MSC Industrial creates a familiar eCommerce space for potential customers, allowing them to feel comfortable with making purchases and potentially tuning into long-time customers. Their site is a model for what other eCommerce sites could be in this space, which is why they are an industry leader.



Apruval Ranking

| Company | UX | MARKETING | B2B NEEDS | RATING | RANK |
|--------------------------|----|-----------|-----------|--------|------|
| W.W. Grainger | 55 | 60 | 130 | 245 | 1 |
| HD Supply | 70 | 41.5 | 120 | 231.5 | 2 |
| Global Industrial | 60 | 28.8 | 135 | 223.8 | 3 |
| MSC Industrial Supply | 60 | 28 | 130 | 218 | 4 |
| Motion Industries | 55 | 40.5 | 105 | 200.5 | 5 |
| ZORO | 70 | 21.5 | 105 | 196.5 | 6 |
| SupplyWorks | 50 | 18.9 | 125 | 193.9 | 7 |
| F.W. Webb | 50 | 19.9 | 120 | 189.9 | 8 |
| Turtle & Hughes | 40 | 25.5 | 120 | 185.5 | 9 |
| Airgas | 55 | 19.3 | 110 | 184.3 | 10 |
| Applied Industrial Tech. | 60 | 32.3 | 90 | 182.3 | 11 |
| Hisco | 50 | 30.9 | 100 | 180.9 | 12 |
| Valin Corporation | 40 | 21 | 115 | 176 | 13 |
| The Fastenal Company | 50 | 15.5 | 110 | 175.5 | 14 |
| Wurth - Americas | 50 | 25.3 | 95 | 170.3 | 15 |
| Dillon Supply Company | 40 | 25.1 | 105 | 170.1 | 16 |
| Grizzly Industrial | 60 | 11 | 95 | 166 | 17 |
| CBT Company | 40 | 9.4 | 115 | 164.4 | 18 |
| Sustainable Supply | 60 | 12.1 | 90 | 162.1 | 19 |
| BlackHawk Industrial | 40 | 25.7 | 95 | 160.7 | 20 |
| AWC Inc. | 30 | 10.6 | 120 | 160.6 | 21 |
| DGI Supply | 40 | 29.9 | 90 | 159.9 | 22 |
| Production Tool Supply | 30 | 9.5 | 120 | 159.5 | 23 |
| SunSource | 30 | 19.1 | 110 | 159.1 | 24 |
| R.S. Hughes Co. | 30 | 28.7 | 100 | 158.7 | 25 |

Apruval Ranking (continued)

| Company | UX | MARKETING | B2B NEEDS | RATING | RANK |
|----------------------------|----|-----------|-----------|--------|------|
| Hydradyne | 50 | 13.3 | 95 | 158.3 | 26 |
| NOW Inc. | 40 | 26.5 | 90 | 156.5 | 27 |
| Border States (Industrial) | 30 | 14.8 | 110 | 154.8 | 28 |
| Winsupply | 40 | 2.1 | 110 | 152.1 | 29 |
| EIS Inc. | 40 | 11.4 | 100 | 151.4 | 30 |
| Fairmont Supply | 40 | 16 | 95 | 151 | 31 |
| SprinklerWarehouse | 40 | 30.4 | 80 | 150.4 | 32 |
| Gas And Supply Co. | 40 | 25.3 | 85 | 150.3 | 33 |
| Tools Today | 60 | 7.1 | 80 | 147.1 | 34 |
| DXP Enterprises | 50 | 27 | 70 | 147 | 35 |
| Bearing Distributors Inc. | 40 | 12 | 95 | 147 | 35 |
| Ryan Herco Flow Solut. | 40 | 11.4 | 95 | 146.4 | 37 |
| Crescent Electric | 40 | 10.9 | 95 | 145.9 | 38 |
| Vallen Distribution | 40 | 10.6 | 95 | 145.6 | 39 |
| MRC Global Corp. | 40 | 34.1 | 70 | 144.1 | 40 |
| FCX Performance | 50 | 24.1 | 70 | 144.1 | 40 |
| Kaman Distribution Group | 50 | 22.8 | 70 | 142.8 | 42 |
| Wajax | 40 | 12 | 85 | 137 | 43 |
| Kimball Midwest | 40 | 10.8 | 85 | 135.8 | 44 |
| Lawson Products | 30 | 20.4 | 85 | 135.4 | 45 |
| Alliance Supply | 30 | 10 | 85 | 125 | 46 |
| McMaster-Carr | 25 | 28.3 | 70 | 123.3 | 47 |
| WEN Products | 30 | 9.3 | 80 | 119.3 | 48 |
| Shively Bros. | 30 | 8.5 | 80 | 118.5 | 49 |
| Online Industrial Supply | 30 | 10.4 | 70 | 110.4 | 50 |

Conclusion

This report is focused on the eCommerce performance of industrial distributors. It is not realistic to compare these companies to eCommerce giants like Amazon, but these companies should strive to be similar to consumer eCommerce markets when it comes to how they choose to develop their eCommerce strategy.

Some suggestions to increase eCommerce presence would be to have product lists available to everyone who comes to the site, multiple payment capabilities for customers, product ratings and reviews, and more.

E-Commerce is the way of the future for procurement, and companies who do not embrace this method will be left behind.



About Apruve

Apruve's B2B credit network enables manufacturers, wholesalers and distributors to extend revolving lines of credit to their business buyers without any financial risk or back office overhead. Customers include Texas Instruments, Boxed, Automation Distribution, Radioparts, Eco Distributing and other suppliers from a myriad of B2B industries.

With Apruve, extending payment terms to your customers is as easy as accepting a credit card.

To learn more, visit www.Apruve.com, or email us at hello@apruve.com.



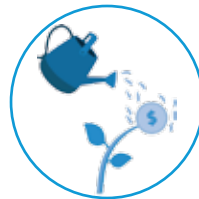
Streamline Accounts Receivable
Real-time credit approvals, without paperwork or collections.



Increase Cash Flow
Suppliers paid 24 hours after product ships.



Eliminate Risk
Suppliers are not responsible for default or late payments.



Grow Sales
Extending credit increases order value and frequency.



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