



intershop[®]

Intershop E-Commerce Report 2019

Speed beats perfection

Executive Introduction

It wasn't so long ago that business-to-business (B2B) commerce was limited by a lack of vision and a scarcity of effective tools. This is no longer the case. Today, the B2B sector exceeds B2C in potential opportunity for growth. All it takes is a bit of 'logical creativity' to spot the opportunities.

As you will see, B2B organizations at all stages on the digital maturity curve overwhelmingly agree that they must innovate and digitize ...or die. We commissioned this survey to discover where organizations are on this journey.

I'm not surprised that it reveals some huge gaps in progress so far. I think what interests me most is how the later adopters are going to close those gaps in a timely manner and how this might influence the competitive landscape for their products and services.

B2B commerce seems to be operating on a self-accelerating cycle. The faster you are right now, the faster and more successful you get. The quicker you are, the more sales channels you operate and the greater the return. The slower you are to adopt digitization, the quicker you are to fall backwards and put a widening chasm between you and your competitors.



Although this is genuinely alarming for many digital newcomers, all is not lost. The barrier to entry is actually pretty low. I think the imperative here is to start, if small and with a low investment, and grow. Yet, start they must.

Not everyone has a clear e-commerce strategy developed and in play. Yet, they all seem to know that they need to get it done, and get it done fast. So, to what extent should B2B organizations be creating a detailed, solid digital strategy that aligns with their business goals? How do they benchmark their sophistication against their peers? The findings in this report are a good starting point for answering some of those questions.

A handwritten signature in black ink that reads "Jochen Wiechen". The signature is fluid and cursive, with a long horizontal stroke at the end.

DR. JOCHEN WIECHEN, CEO INTERSHOP COMMUNICATIONS AG

Intershop E-Commerce Report 2019: Speed beats perfection

Many organizations have either leveraged growth from the digitization of their supply chain or faced disruption from it. This report explores the players and companies in the e-commerce market according to different categories of digital maturity. Players engage in differing fields of action to grow their business and foster online success. This research serves as a useful barometer to understand the varying digital processes, e-commerce strategies, systems, the impact of digitization as well as future trends.

As a recognized leader (Forrester*) in B2B e-commerce, Intershop offers informed insights about the future of digitization in e-commerce. It's not sheer size that matters in the digital era, but the ability to **empower** customers, partners and employees, to **connect** systems with any interface that these stakeholders are using, and to **grow** and prosper together.



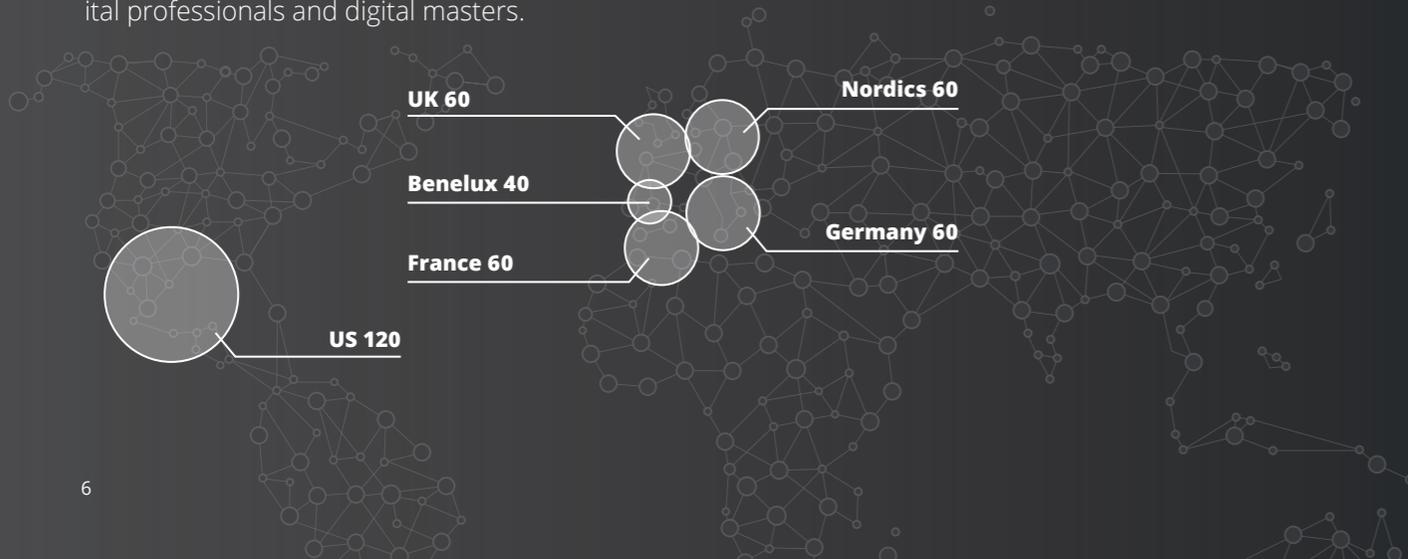
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Investigating the Levels of Digital Maturity

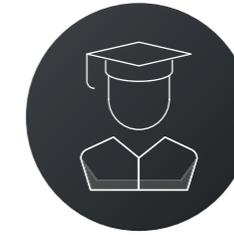
In late 2018 Intershop commissioned independent research consultancy Vanson Bourne to survey 400 B2B decision-makers with responsibility for e-commerce in Benelux, France, Germany, the Nordics, the UK, and the USA.

There was no digital non-starter among the 400 respondents. This underlines the progression of digitization across all sectors. The report reflects therefore three levels of digital maturity: digital newcomers, digital professionals and digital masters.



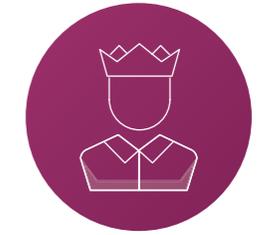
Digital newcomers

tend to be companies that tackle digitization of products, services and business processes more opportunistically than with a consistent strategy behind. Their 'inside view' of own organizational challenges seems to prevail over requirements of their increasingly digital customers. As one result, the share of online sales for the digital newcomer is lowest in this research. However, they find themselves rightly encouraged from first achievements of their digitization initiatives.



Digital professionals

however, share a more customer-centric focus and set their digital strategy accordingly. They put focus on the customers they work with in the purchasing processes, whom they target and who their end customer is. While the goal of aligning customer experience with business processes is already acknowledged at management level, this strategy tends not to be pervasive throughout the company. While not all potential of a digitization strategy is yet leveraged, this group is well under way to accelerate their growth. The challenge for them is to catch up with their fast moving competitors.



Digital masters

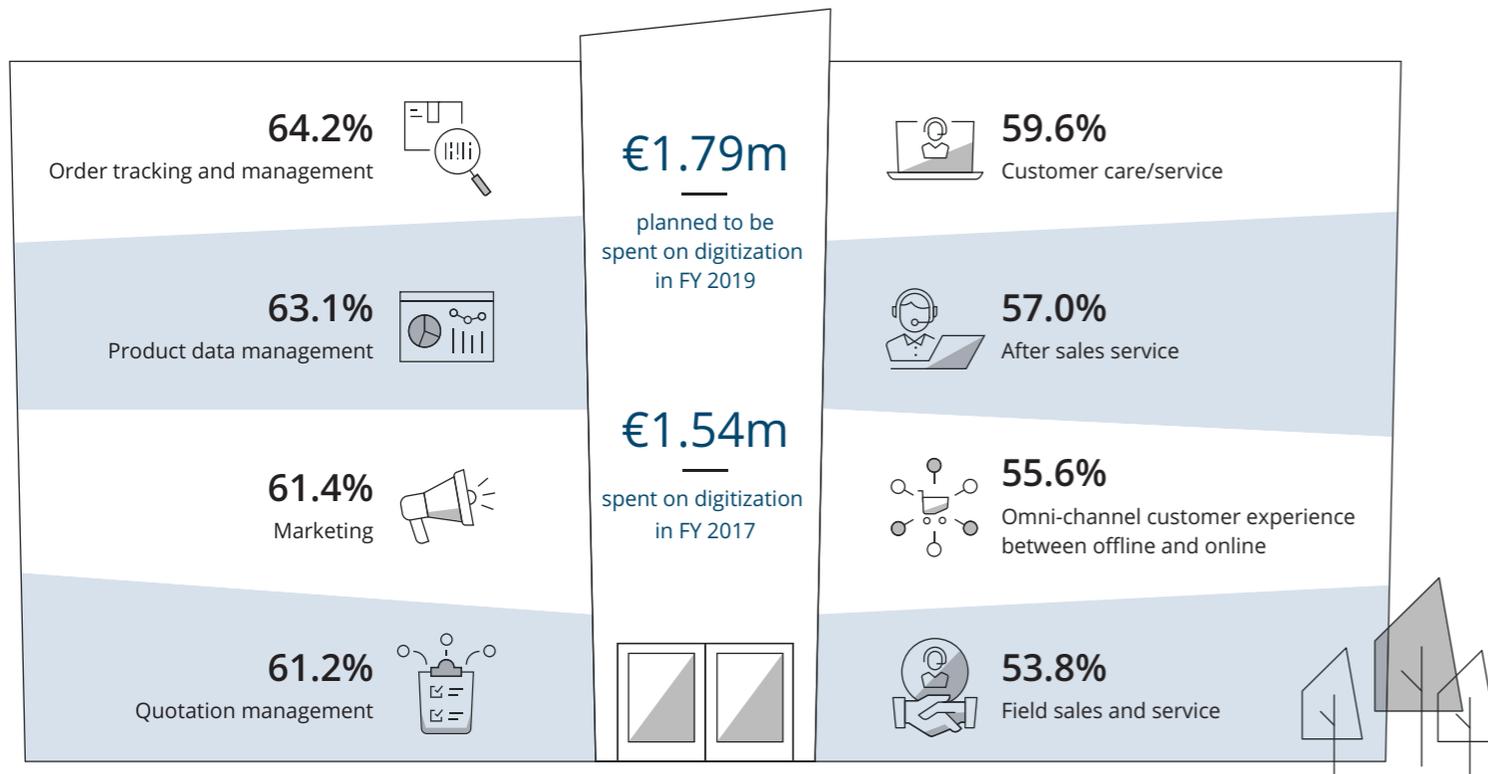
are companies that have learned to grow with digitization. For them, this development does not pose a threat to their business model, nor do they have to laboriously adapt to it. Digital innovations are the fuel of their business and the more digital their customers, the better for business in the digital ecosystem. The fact that in the study their online revenues account for the highest proportion of their turnover is certainly no surprise.

Key Findings

**Digitization is all about empowering, connecting
and growing business**

Investment in the digitization of sales and service processes continues to be huge – with respondents’ organizations investing €1.54 million on average in financial year 2017. In financial year 2019, this is expected to grow to €1.79 million. This considerable and increasing financial commitment illustrates the importance of digitization strategies. In short, empowering organizations by connecting processes and channels as well as growing reach and market share has become a priority.

The proportion of organizations’ departments/ processes that are digital



Empower

Regardless of the levels of digital maturity respondents agree that C-level commitment is crucial. There is work to do when it comes to the strategy for e-commerce. This is particularly true for digital newcomers of which only 41% report to have one in place and running. Those who are still struggling to find their individual way of digitization can still count on the fact that speed trumps perfection. Gradual, if opportunistic advancement is, by all means, better than waiting for perfect conditions. Digital masters are twice as likely to report a fully implemented strategy (82%). It’s fair to assume, they will not rest on the achieved results, but are working on options to push ahead.

However, seemingly small steps must not be underestimated to reach long distance goals. Organizations report that business processes had to be

optimized (28%) and/or quality of data (28%) had to be overcome by their organizations to digitize their sales and services. With just under three in 10 respondents (29%) almost surprisingly few report that their internal organization structure had to be changed. Greater efficiencies (42%), however, indicate that the efforts are well worthwhile.

All the fields of e-commerce require improvement – with less than one in six (15%) saying their organizations’ digitized sales and services require no improvement. Clearly, there is still room for optimization throughout B2B organizations, especially by digital newcomers who trail digital masters by, on average, 20%. This again points to the fact that the gap keeps widening between fast movers and late adaptors, strongly calling for their sense of urgency.



Challenges of digitizing sales and services

Connect

The future of e-commerce will be a connected one. The omni-channel approach evolves further where more and more channels work together well. But for all automation of processes, organizations should not just concentrate on the online element, as the human touch will still be required for organizations to improve and nurture customer relations.

Digital B2B e-services (53%), digital B2B marketing (52%) and digital customer portals (48%) are the areas that are most likely to be incorporated in respondents' organization's strategy, of those that have developed or are planning a strategy for digitizing sales and services. These are also the three areas that respondents have highlighted most crucial to their organization's e-commerce.

As we would expect, digital masters are incorporating more areas within their organization's strategy for e-commerce than digital professionals or digital newcomers. Although only four in 10 (41%) of digital masters are including omni-channel commerce within their strategy, almost seven in 10 (69%) are integrating connected commerce, which is likely to incorporate technology that will also be used in omni-channel commerce. This might indicate that in the future, connected commerce may outgrow omni-channel commerce.

Grow

The impact of digitizing organizations' sales and services can be huge – 100% of respondents' organizations have already seen benefits after digitizing their sales and services.

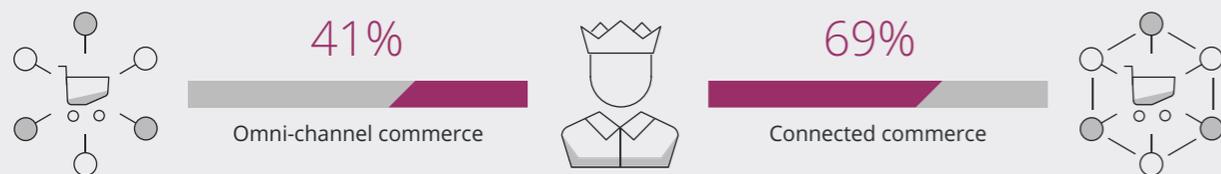
Growth is a major force of digitization. Almost half of respondents' organizations report that improving revenues (47%) and/or increasing market share (45%) are factors that drive their strategy. Improving customer experience (46%) is another steering factor for digitization projects.

Whilst there's no statistical correlation between the size of an organization and its digital maturity, there are some vertical sectors that show a trend.

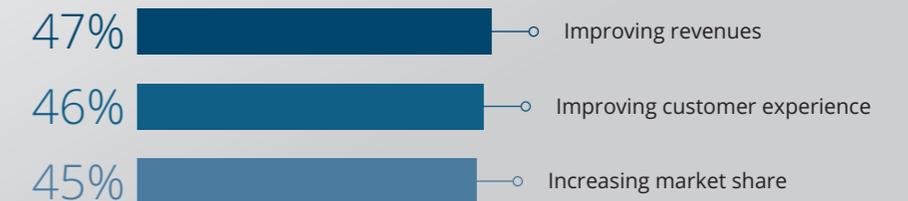
Our survey respondents agree; speed beats perfection. Stay in the game, keep innovating and most importantly stay agile. Move now. The pace of change is clearly gathering momentum and many businesses, perhaps even your competitors, are already experiencing a plethora of benefits such as greater efficiencies, increased sales and better customer experiences to name but a few.

Those in the 'tools' industry such as tool production, selling and maintenance, as well as the 'wholesale' trade (e.g. hydraulics, pneumatics and plumbing, lab and scientific, power and hand tools, food service and grocery) are more likely to be digital masters. Whereas the 'construction machinery' and 'maintenance, repair and operations' sectors are the most likely to be digital newcomers. Here, early movers can still reach distinctive advancement even with project scope for their start in terms of digitization.

Areas affected by digitization strategy



Strategy drivers



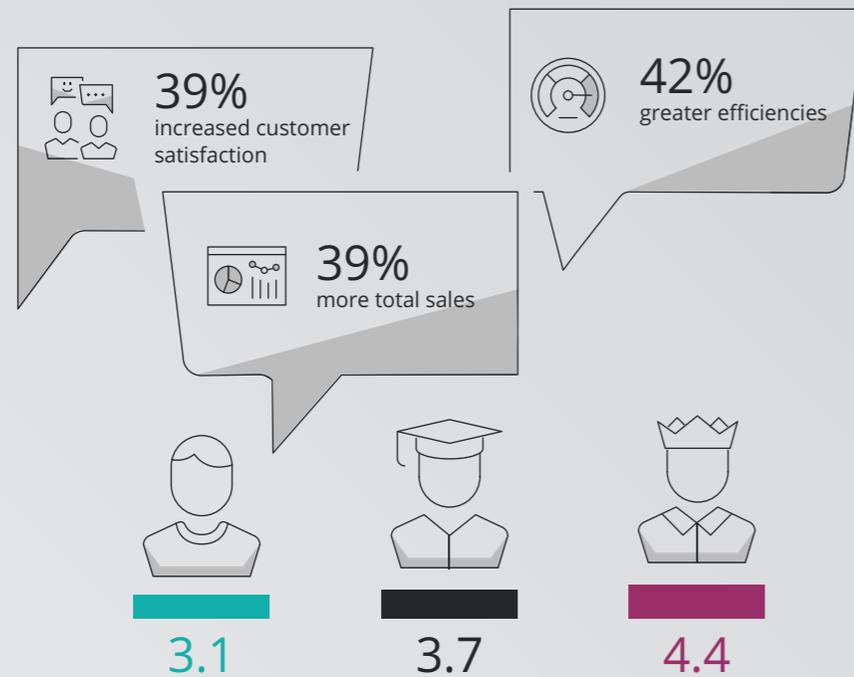
Examining the Findings

The impact of digitizing the sales and services of B2B organizations is simply huge. In fact, all of the organizations we surveyed (100%) have experienced benefits as a result of digitizing.

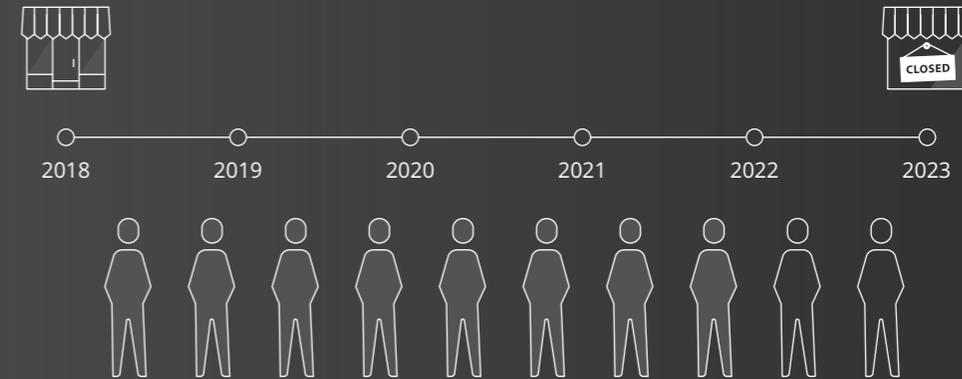
The most common benefits of digitization experienced are greater efficiencies (42%), increased customer satisfaction (39%) and more total sales (39%). Digital masters are more likely to have experienced more benefits (4.4 on average) than digital newcomers who have only experienced 3.1 on average in their organization.

It seems that B2B organizations remain focused on obeying the omni-present customer. In fact, 84% agree that in the age of digitization, the customer dictates how we do business more than ever.

Benefits experienced



Digitized sales and services



77% Almost eight in 10 respondents believe that if organizations don't start to digitize now, they will be going out of business in five years' time.

Digital masters (86%) are more likely to say that organizations will be going out of business if they do not digitize, than digital professionals (78%) and digital newcomers (63%). This is perhaps because they understand the importance of e-commerce within their organization and have acted upon the imperative. It is also arguable that they tend to think more strategically, thinking and planning ahead.

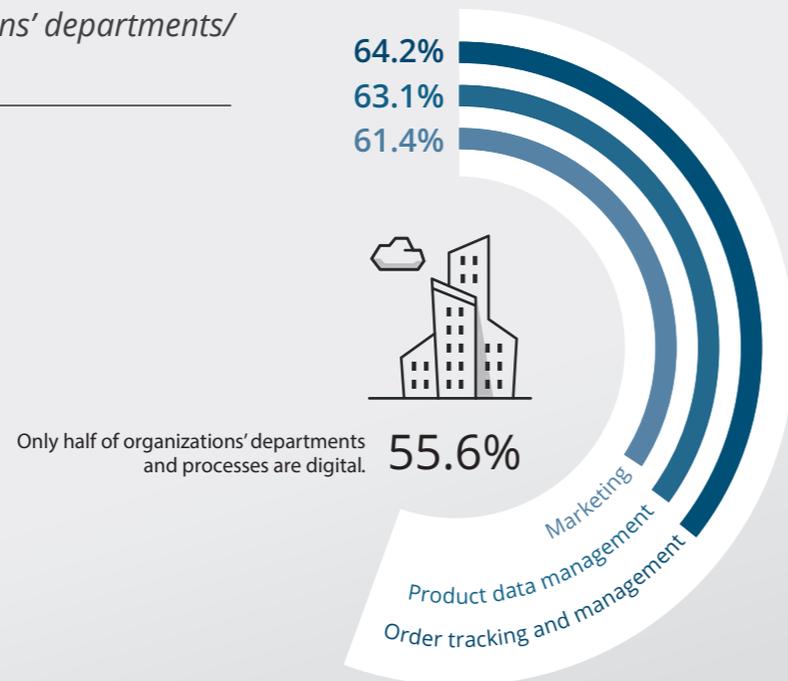
Yet, on average, only half (55.6%) of organizations' departments and processes are digital.

Among them, order tracking and management has the highest proportion of digital processes, with 64.2% on average. This is closely followed by product data management and marketing with 63.1% and 61.4% respectively, of its department/processes being digital.

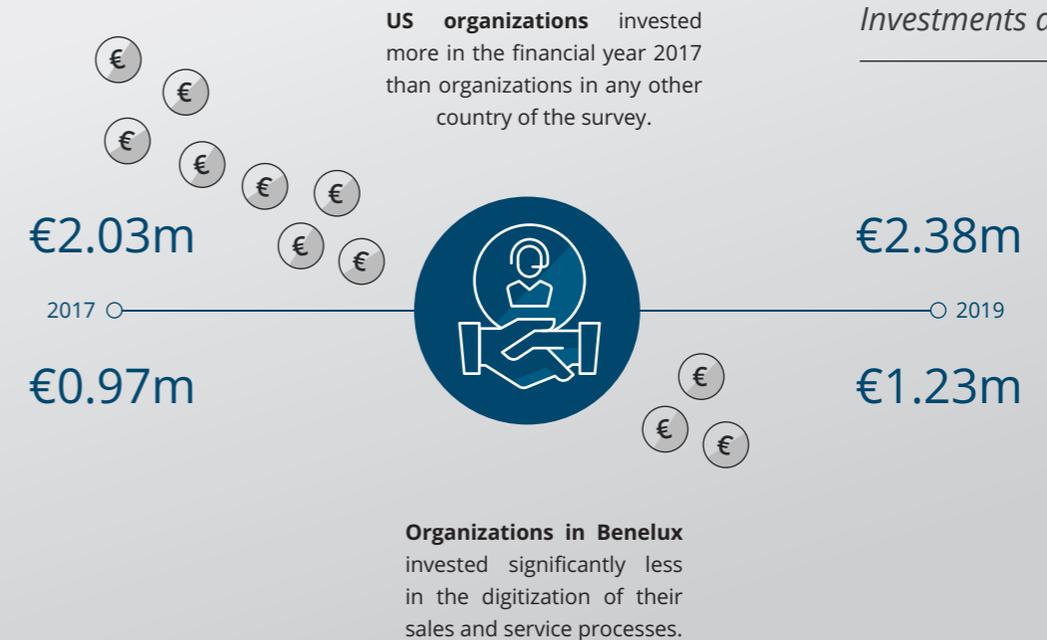
However, it seems that companies are attempting to accelerate their speed of digitization, growing their investment in this regard. Overall, respondents' organizations invested an average of €1.54 million in the digitization of their sales and service processes in 2017, which is set to increase to €1.79 million in the financial year 2019.

US organizations invested more in the financial year 2017 than organizations in any other country of the survey, and will continue to do so in the following financial years. In contrast to that are organizations in Benelux, which invested significantly less than the average in the digitization of their sales and service processes. Interestingly then to see is that US organizations show a significantly higher share of online revenue of 62% compared to that of organizations in Benelux with 47%.

The proportion of organizations' departments/ processes that are digital



Investments and online sales

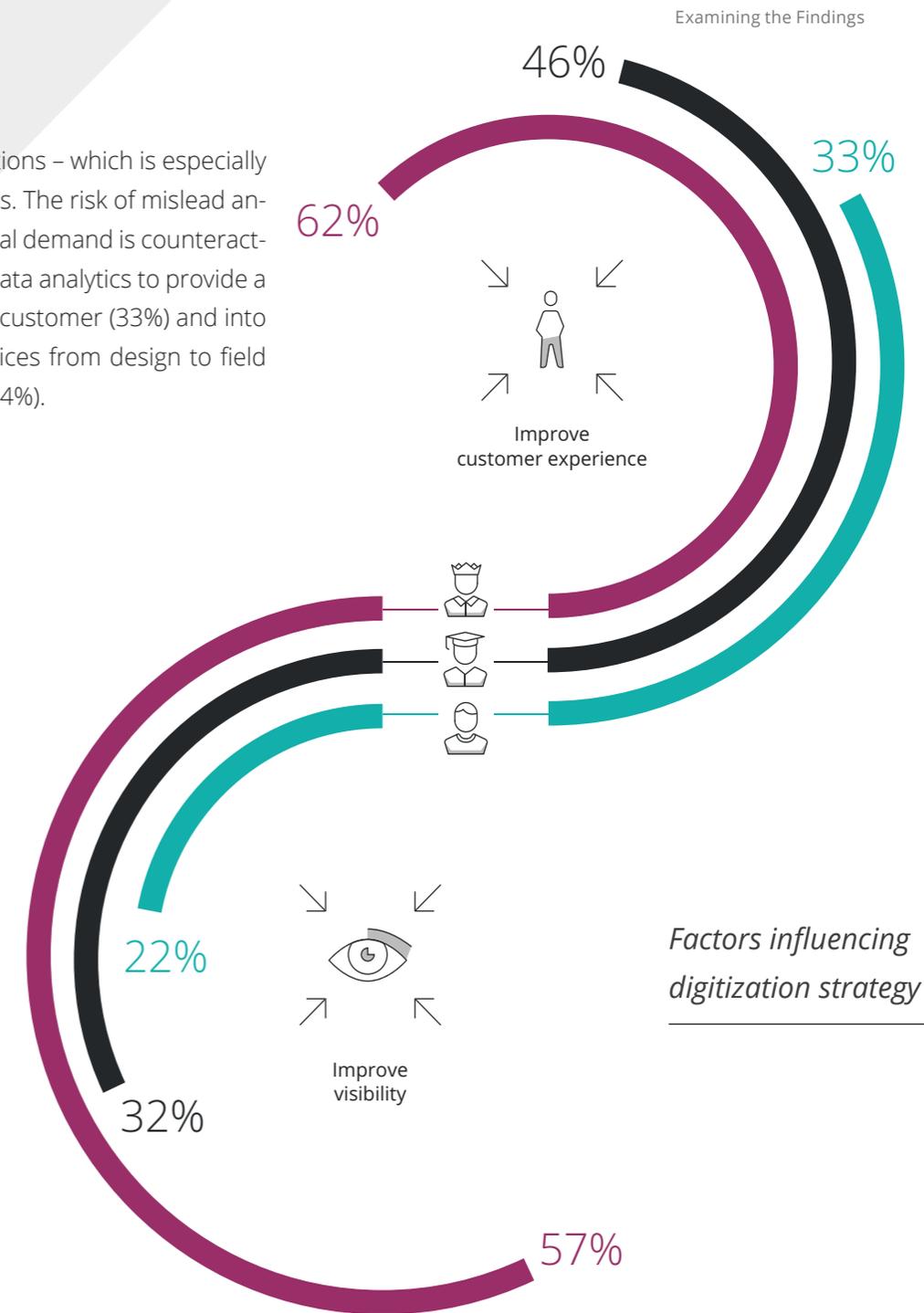




Four in 10 (40%) are working towards the automation of B2B sales processes in the next three years. Digital masters have the most factors influencing their organization's strategy for digitizing sales and services compared to digital professionals and digital newcomers. This may indicate a strong influence for their motivation and commitment for digitization projects fuelling the dynamics of the process – the more drivers, the more expected benefits. They report, e.g., improving visibility (57%) as a factor that influences the development of their strategy for e-commerce, compared with digital professionals (32%) and digital newcomers (22%). This potentially may be the reason behind using more channels to sell products/services. This could also be evidence of the digital masters not only being more advanced but that they also have a greater understanding of modern customer relations, the importance of brand equity and differentiation.

While improving customer experience is an influencing factor in the development of strategy, it is worth noting that the least common factor is that customers are demanding it. It seems that the organizations' desire to put customers first is ahead of the customers themselves demanding it. This proactive approach suggests that organizations are planning to be one step ahead when it comes

to their e-commerce solutions – which is especially the case for digital masters. The risk of mislead anticipation rather than actual demand is counteracted by investments in big data analytics to provide a better experience for the customer (33%) and into monitoring products/services from design to field using digital traceability (34%).



E-Commerce Strategy

Despite this implied need to digitize, only half (53%) of respondents' organizations have a completely developed strategy for digitizing sales and services. This does not seem particularly high given the level of investment made in digitization over the last financial year.

However, only 1% of respondents' organizations are not planning a strategy for digitizing their sales and services processes. This shows that organizations recognize the benefit of a strategic plan.

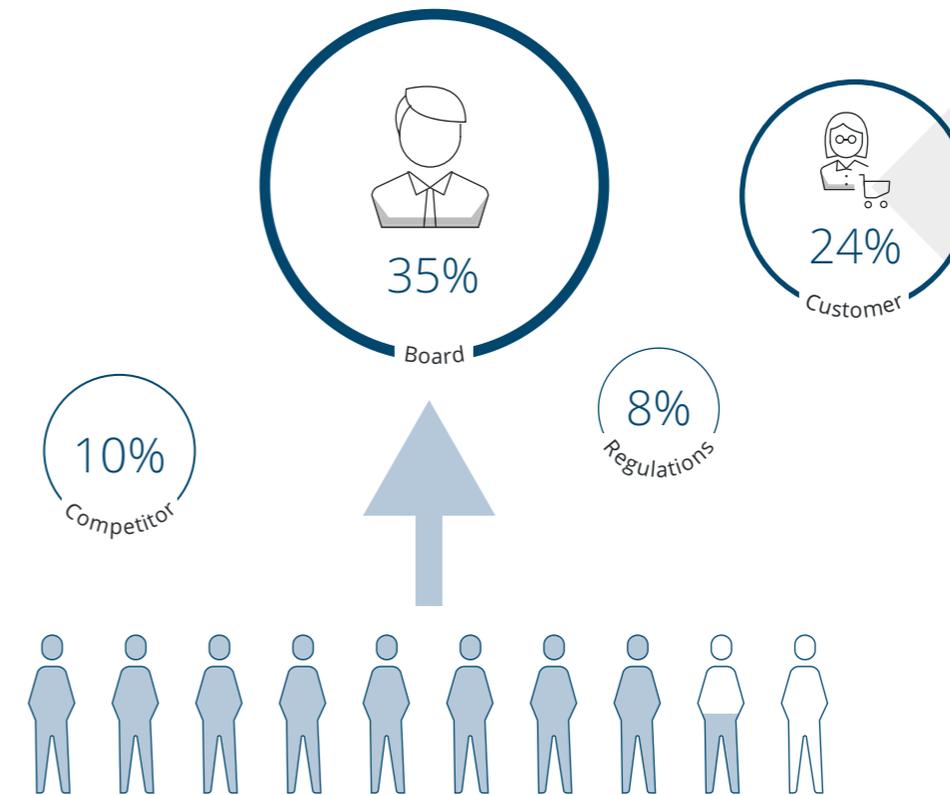
Of those that have a developed strategy for digitizing their sales and services process, only half (51%) say their organization has a strategy that is completely implemented. It's little surprising that digital masters are more likely to report a fully implemented strategy (82%) compared to digital professionals (44%) or digital newcomers (41%). There

is also not a marked difference between digital professionals and digital newcomers at this stage of the digitization process. One can assume that the most mature group at this point does not have to invest much more energy in defining their strategy, but can instead focus on its further implementation and operational optimization. This could also account for further widening the gap for organizations trailing behind.

A reassuring 85% however agree that the board must be on board with the digitization agenda. In other words, the C-level must own and steer all digital efforts alongside a clear strategy.

More than a third (35%) of respondents' organizations that have a developed strategy or are planning a strategy for digitizing their sales and services report that it is driven by the senior management and/or the board.

However, as long as just a quarter (24%) say their organizations' strategy is driven by customers one may argue whether it's really the claimed imperative of "customer first" is what shapes today's business strategies. Instead, there are still one in 10 saying it is driven by their competitors (10%) or by regulations (8%). In fact, this finding suggests that the vast majority of businesses seems having not yet overcome the inside-out perspective of their organization. Therefore, a comprehensively implemented strategy toward customer centration is not today's reality for most.



85% agree that the board has to be on board: C-level has to own and steer all digital efforts alongside a clear strategy.

Strategy drive in organizations

Improving revenues (47%) is the most common factor that influences the development of strategy for digitizing respondents' organizations' sales and services. This is closely followed by improving customer experience (46%) and increasing market share (45%). These factors are not only interlinked with each other, but are also likely to be influenced by where the strategy is driven from. Increasing revenue and market share are often more directly attributed to C-level and senior management, while improving customer experience reflects organizational commitment to putting the customer really at the center of the organization.



Finally, it's no secret that having a strategic business plan enables organizations to be more proactive than reactive, sets a direction for everyone, improves operational efficiency, increases market share and profitability and makes a business more durable. Having a comprehensive digitization strategy is no different, and the digital newcomers need to catch up to their digital master peers. Perhaps digital should form part of your wider business strategy? It is also no secret that great leaders consult experts. So, if digital is not your natural strength, don't be afraid to ask for help.

Challenges of Digitization

The most common challenges experienced from digitizing sales and services evolve around internal issues. This includes that internal organization structure had to be changed (29%), business process had to be optimized (28%) and quality of data (28%) had to be improved. The least common challenges experienced by respondents' organizations are missing support by the management (16%) and it being seen as a threat by the field sales (15%).

Sometimes, being agile in the digitization process requires organizations to practice trial and error. It's interesting to see that in fact almost seven in 10 (68%) respondents believe that speed is more important than perfection – across all groups. It stands for a shared understanding of weighting opportunity and risk. In other words “fail fast, learn fast” seems to become general practice.

**FAIL
FAST
—
LEARN
FAST**



Speed
is more important than
perfection



Digital Progress Reflected in Evolving Mixture of Sales Channels

Own B2B e-commerce sites (48%) remain the most common digital channels to sell products/services, closely followed by B2B market places (41%) and e-mail (31%). However, the difference among the groups here is huge with 69% of the digital masters and 29% of digital newcomers having own e-commerce sites in place. The digital newcomers, though, seem to have developed a sense of urgency here as in the next year already 40% want to have one of such up and running.

The mixture of preferred sales channels undergoes several shifts. Rather predictable evolutions may include the increased use of social media to sell products and/or services in the next 12 months from 29% to 32%. Email is still a valid option, but showing a decrease from 31% to 28%. Brick and mortar outlets face a similar development with a decline from 29% to 26% across the groups. More surprisingly may be the indication, that market places have a growing appeal particularly with the digital masters. While currently 53% have a presence there, in 12 months from now 65% of them

plan to do so. Possibly they are confident enough to nurture their client relationship across their other sales channels sufficiently so that they don't challenge their brand impression. Digital professionals seem to come to a different conclusion by stating a slightly lowering interest for this option from 43% to 41%.

Digital masters overall are more likely to sell across multiple channels. When it comes to their plans for sales channels over the next 12 months, the gap between the digital masters and the other categories gets wider in areas such as mobile devices and B2B market places. Across the board companies plan to offer their customers more sales channels. As indicated above it remains difficult to foretell customers' future preferences when it comes to using sales channels. Therefore, regardless of the current levels of maturity businesses should build their digitization strategy on solutions that aid with providing an omni-channel experience allowing for growth and ease in integration for coming options.

Digital masters have set high standards of choice in terms of sales channels which they yet plan to expand. It is fair to conclude that if the rate of change at every stage of the digital maturity curve stays constant, the gap between the digitally mature and the immature will widen significantly and causing yet further disruption in the B2B sector. Therefore, fast moves are required from digital advanced and digital newcomers alike if they want to catch up with the trailblazers of their sector.



Which of the following trends is your organization working towards in developing digital commerce in the next three years?

	Total	Digital newcomers	Digital professionals	Digital masters
Automation of B2B sales processes (e.g., self-service portals with AI based personalized products and e-services combined with chat bots for routine customer service)	40.3%	32.5%	39.8%	50.0%
AI and machine learning for personalized marketing, product and service offerings	30.0%	18.8%	29.7%	43.2%
Order driven production through the use of technologies, e.g., IoT and 3D printing	28.0%	23.8%	26.0%	39.2%
IoT and digitally connected devices to enable new services and business models	27.8%	22.5%	26.4%	37.8%
Next generation of API driven e-commerce to seamlessly integrate touchpoints and devices	25.5%	17.5%	22.8%	43.2%
Conversational user interfaces (e.g., voice assistants like Alexa)	25.0%	26.3%	22.4%	32.4%
Integration of sensors for automated procurement processes and predictive maintenance	25.0%	16.3%	24.4%	36.5%
Augmented reality/virtual reality	24.5%	25.0%	22.8%	29.7%
Blockchain-based smart contracts	22.5%	17.5%	20.7%	33.8%

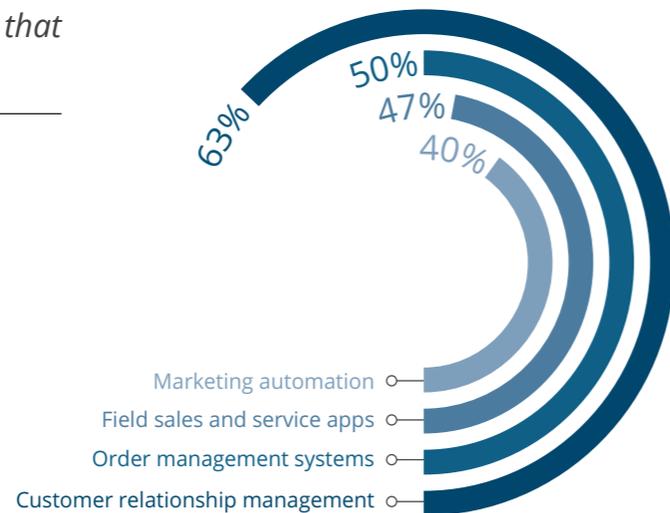
Systems as Carrier of Digitization

It is often to be found that digitization strategies evolve around the e-commerce part of the business. Since this today means much more than a website with a shopping function attached, more and more systems are integrated in order to extend interaction with the customer. The more organizations advance in their digitization the more processes and systems are set up accordingly. When it comes specifically to digitization and e-commerce, it is customer relationship management (CRM) that holds first place as the most common business system that respondents' organi-

zations currently have or use. In fact, CRM is so prevalent that only a small proportion (2%) have no plans to implement it.

Around half of respondents' organizations currently have or use an order management system (50%), field sales and service applications (47%). Only four in 10 (40%) currently have or use marketing automation, even though on average, much of organizations' marketing is digital amongst the survey respondents.

CRM is the most common system that organizations currently have/use



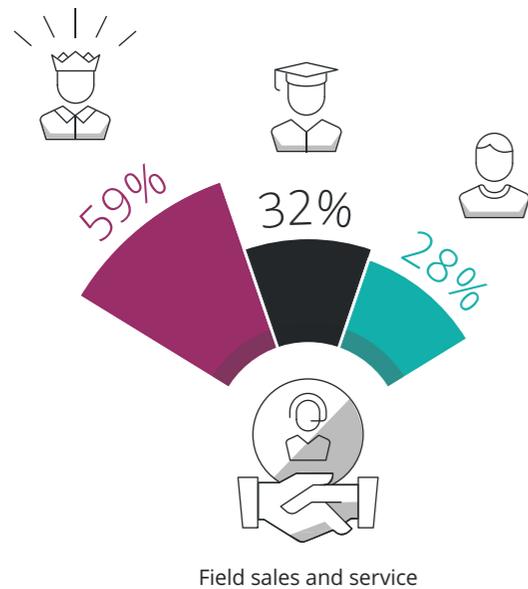
Of course, there's room for improvement with business systems, particularly among the digital newcomers. 90% have identified a need for their CRM and web content management systems, with a similar need of their marketing automation (88%).

Still two thirds (67%) of respondents report that their organizations' e-commerce platform requires some improvement, which is a little surprising given the level of investment being made in digitization. Does this perhaps point towards a need for a better developed strategy for e-commerce? Would better planning condense the level of improvement required? The fact that just 45% of the digital masters compared to 78% of digital newcomers see need to further tuning here hints to that.

Of respondents that have a product information management system, almost eight in 10 (76%) cite it requires improvement, whereas of those that have a helpdesk solution, two thirds (67%) say it requires improvement. It's possible that the helpdesk solution is less likely to require improvement because organizations are so focused on improving the customer experience, that it results in less request for assistance.



Areas incorporated in strategy for digitizing sales and services



Of respondents' organizations that have developed or are planning a strategy for digitizing their sales and services, the most common areas to be incorporated are digital B2B e-services (53%), digital B2B marketing (52%) and digital customer portals (48%). The least common areas to be included are omni-channel commerce (34%) and international commerce (36%).

As one would expect, digital masters are incorporating more areas within their organization's strategy for e-commerce than digital professionals or digital newcomers. Although only four in ten (41%) of digital masters are including omni-channel commerce within their strategy, almost seven in ten (69%) are integrating connected commerce which is likely to incorporate technology that will also be used in omni-channel commerce.

Almost six in 10 (59%) of digital masters report digital field sales and service being crucial to their organization compared with only around three in 10 digital professionals (32%) and digital newcomers (28%). This certainly presents one of those areas where digital masters already reap far more benefits of their digitization efforts compared with both two groups trailing behind.



There's an obvious need here for the digital newcomers to catch up with CRM, product information systems, web content management, but there are already the next levels of system integration required. Embracing systems that support multiple customer facing touchpoints like voice, chat, applications, the Internet of Things, smart devices, market places and virtual reality can help. It can be a simple move. The available e-commerce technologies and solutions are evolving at a comparable speed so the entry point solutions are relatively affordable, too. So, if you're in the early stages of the digital maturity curve, consider a cloud-based solution as your first step and grow from there. Intershop's Commerce-as-a-Service solution for example is such an entry point where you can start with a relative small spending on a monthly basis and scale as you grow.



B2B E-Services and Digital Customer Portals

Digital customer portals carry a lot of potential as they cover a long stretch of the customer live cycle, servicing in different stages of the customer relationship, targeting specific customer roles and requirements. Depending on planned scope and organizational ambitions they can evolve to rather complex structures. It's no surprise that the digital masters are the most likely ones to address

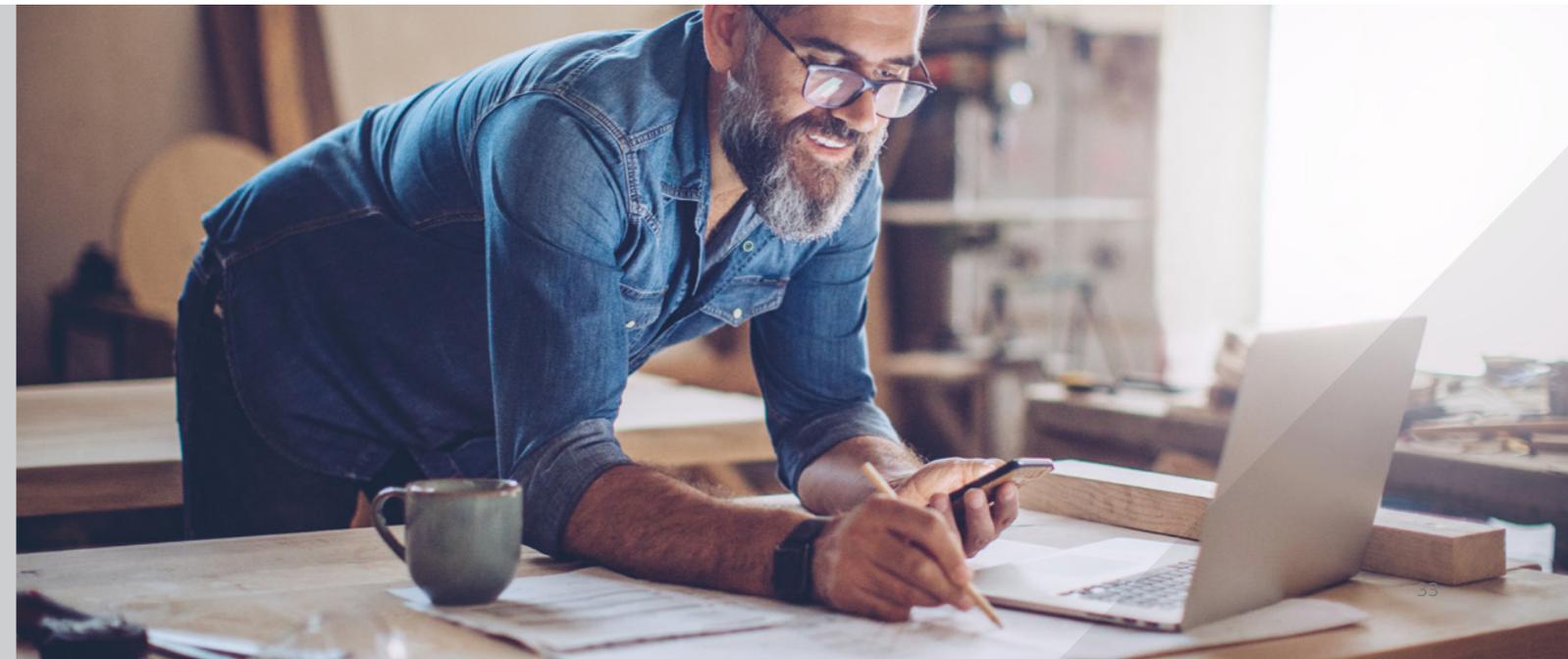
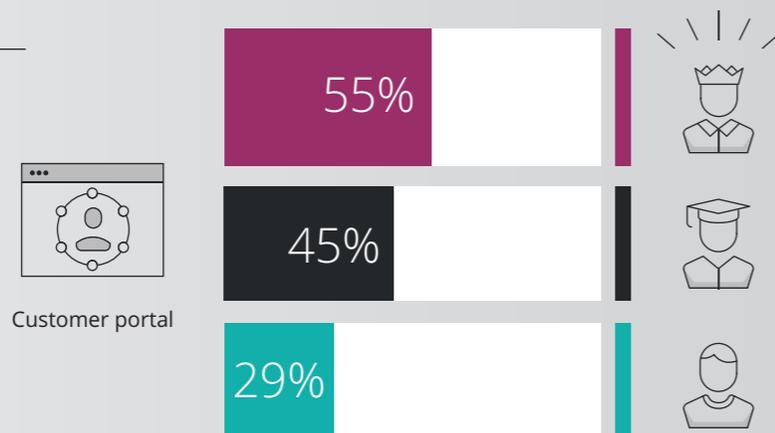
this potential. 55% of them consider digital customer portals as crucial for their e-commerce strategy, while only 45% of digital professionals and 29% of digital newcomer share this view. Possibly, further down the path towards digital transformation, their growing experience will encourage them to leverage portals, too. In fact, customer portals seem to be as promising as demanding.

Of the areas that are incorporated within respondents' organizations' e-commerce strategy, omni-channel commerce (79%) and digital customer portals (77%) are the most likely areas that require improvement since implementation. This highlights that despite the high level of investment there is still a lot of development required, especially if organizations want to ensure that planned investment is used effectively.

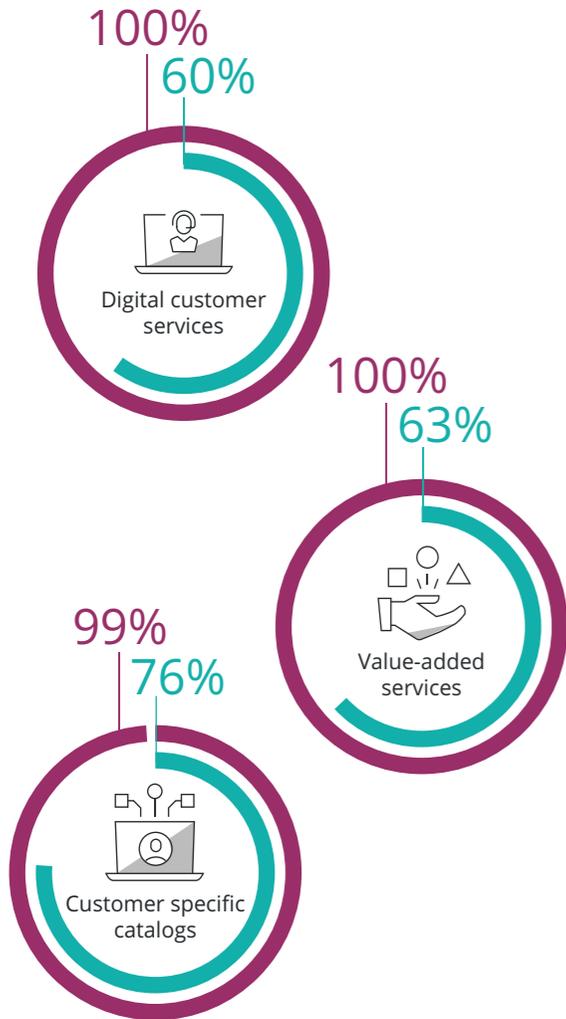
56% of respondents cite B2B e-services as crucial areas to the digitization of their organization in terms of sales and services, which would explain why they are the most common areas included within respondents' organization's strategy.

Looking specifically at the characteristics within digital customer portals and B2B e-services, respondents believe that the most common areas desired by customers are the compilation of customer specific catalogs (89%), analyses and reports (84%).

Areas incorporated in strategy for digitizing sales and services



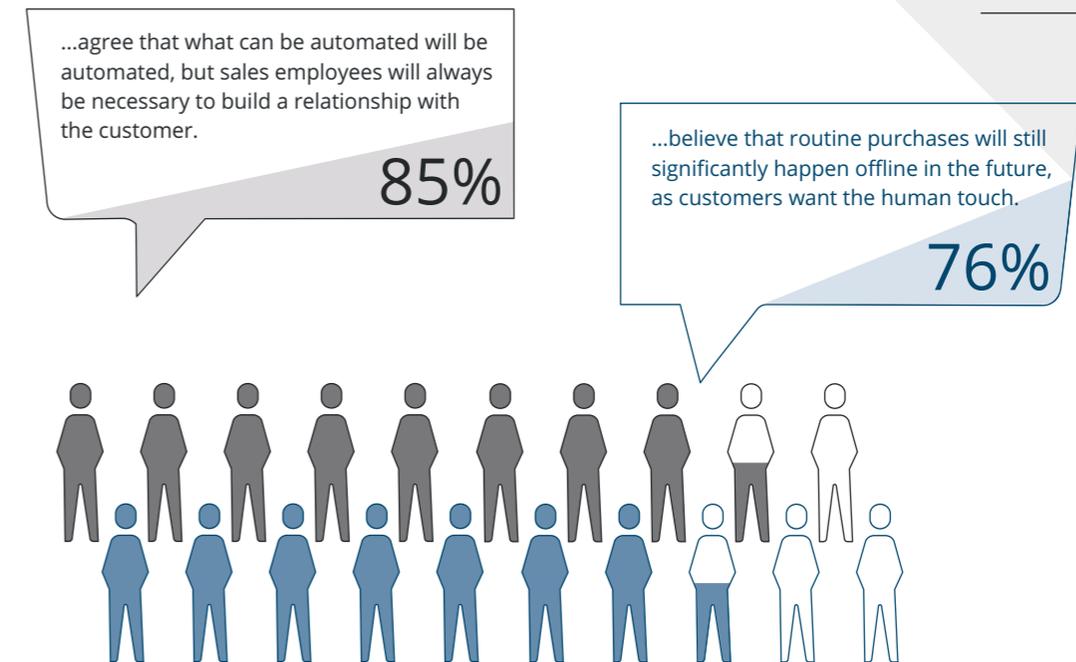
Organizations expect differing customer expectations for digital portals



Digital masters state that their customers expect a full service portfolio ranging from product updates to reports (100%), customer specific catalogs (99%), ticket systems, FAQs (100%), and EDI interfaces (99%). Even e-learning, online academy, manuals and documentation (93%) they see expected from them. Apparently, digital newcomers tend to see their customers far less demanding. They perceive product updates (63%), customer specific catalogs (76%), ticket system and FAQs (60%) or e-learning offerings by far less urgent (54%) to be provided.

This finding offers room for interpretation: Arguably, it shows the degree of customer obsession in organizations. Or else, how likely is it that customers have so strongly varying expectations towards their vendors? When asked about the quality of their offered e-services and sales, respondents apparently show different levels of ambition. Already 62% of the digital newcomers state to provide an excellent or good offering in this respect. Less surprising is the level of satisfaction here of 80% of the digital advanced and 90% of the digital masters.

However, digital customer portals are just one of many important channels. Looking ahead more than eight in 10 (85%) agree that what can be automated will be automated. Customer portals can play an important role in that. But sales employees will always be necessary to build the relationship with the customer. Interestingly, four in five (76%) respondents say that routine purchases will still significantly happen offline in the future, as customers still want the human touch.

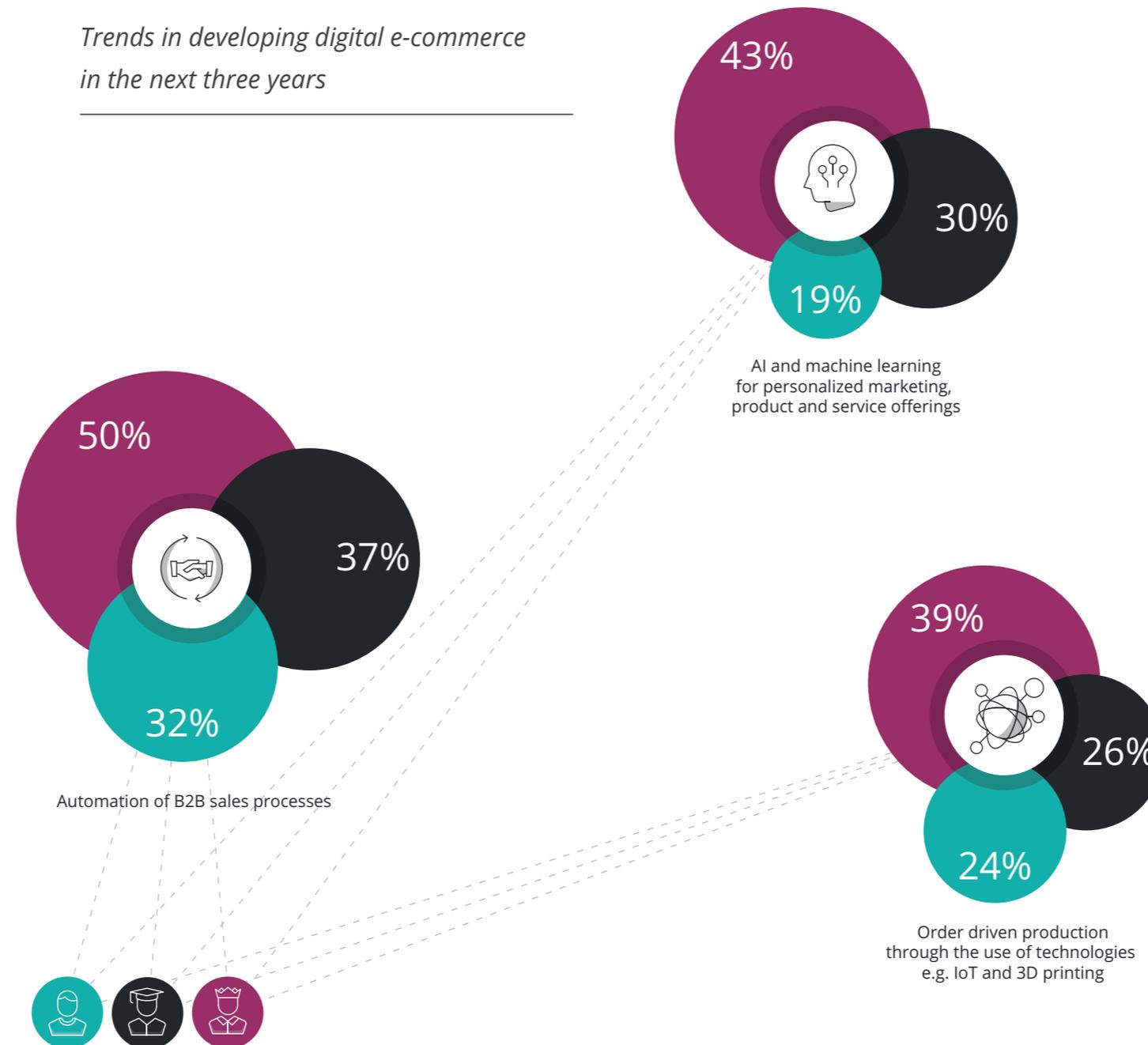


Future Trends

Although these statements are slightly conflicting, sales employees will be needed in the future. The multi-channel approach, where all channels work harmoniously together rather than just focusing on the online element alone, could also become increasingly important.

Looking at where companies see trends for the next three years it clearly shows that connected commerce is what's on the agenda for many. As we would expect, digital masters are incorporating more areas within their organizations' strategy for e-commerce than digital professionals or digital newcomers. Although only four in 10 (41%) of digital masters are including omni-channel commerce within their strategy, almost seven in 10 (69%) are integrating connected commerce which is likely to incorporate technology that will also be used in omni-channel commerce. This might indicate that in the future, connected commerce may outgrow omni-channel commerce.

Trends in developing digital e-commerce in the next three years



While all the identified groups prioritize investments in automation of B2B sales processes (e.g., self-service portals with AI based personalized products and e-services combined with chat bots for routine customer service), once again digital masters present strongest commitment here compared to digital professional (39%) and digital newcomers (32%). Very similarly the groups position in the fields of AI and machine learning for personalized marketing, product and service offerings (19, 30, 43%), order driven production through the use of technologies, e.g., IoT and 3D printing with 24% for digital newcomers, 26% for digital professionals and 39% for digital masters.

Digital masters are more likely to be working towards the trends than digital professionals and digital newcomers, which further emphasizes they are leading the way in digital commerce.

Summary

The stakes are high for digital newcomers and even digital professionals who risk falling behind.

At the current rate of digitization in B2B organizations, the digital masters are set to win. Win competitive edge, win customer hearts, win more revenue and win more market share. The net effect of the less digitally mature moving at the current rate, or indeed not at all, is that they will lose their current ground, and lose opportunity, too.

As this survey shows, all B2B businesses have experienced benefits from their digital investments. Huge numbers are being influenced by future cus-

tomers' desires. There can be little doubt that the future is increasingly digital, as B2B buyers not only demand a B2C-like experience but a seamless interaction with an organization across all touchpoints.

Today's digital masters are charging quickly towards omni-channel commerce. By all accounts, not only will they likely get there soon, but they will then be setting their sights on the next level of innovation, connected commerce.

However, digitized B2B commerce does not mean unhuman and faceless. Far from it. Digital systems can greatly enhance about our clients' preferences and how we interact with them effectively. Organizational improvement will always require a human touch, and B2B businesses will always need sales people. We live in the age of the empowered buyer. Much more of the pre-sales work is done before a client is ever in touch with a sales person. B2B companies must respond to this by re-weighting the balance between online and offline sales processes and touchpoints.

Wherever you are on the digital maturity curve, obey the omni-present customer. The omni-future customer will likely expect a very human experience driven and supported by ambient technology. Integrating these elements seamlessly is key.



Key Recommendations



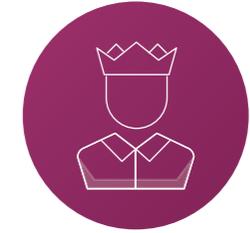
Digital newcomers

have absolutely realized that digitization is something that isn't just affecting the others. Instead, they open their business to potential it bears. However, instead of more or less isolated initiatives, a more strategic approach is necessary in order to not falling behind their competition. Letting go of the inside-out perspective will help to understand customer needs better. So what to do? Digital newcomers can advance in their digitization by integrating further business processes serving customers. Automate what can be automated when investing into solutions that take the products and services to the next level. Grow your digital sales with strict customer focus, e.g., integrate your existing CRM or ERP systems into a cloud-based e-commerce solution like Intershop Commerce-as-a-Service. This way your organization increases efficiency while gaining business agility. Leverage tools for business intelligence and automated marketing so that you can grow your digital sales while learning from your customers.



Digital professionals

seem to be midway mastering the challenge of digitization. They have done their homework, for example by developing a digital strategy. Accordingly, this group has made good progress and is motivated by results achieved so far. However, digital professionals are not consequent enough yet in their customer orientation compared to the digital masters. Therefore, the gap to the digital masters threatens to get wider fast. All the more it is time now to broaden the scope and to invest into platforms and integrations that allow to connect to any endpoint, integrate into marketplaces and with your (legacy) backend systems. Keep your customers in focus by using big data, extend your visibility and relevance for them. Based on that develop a holistic customer experience that seamlessly unites online and offline. This will be your way forward to the next level of connected commerce.



Digital masters

are ahead of the curve in almost any area compared to beginners and digital professionals. Too bad though, that this fame can fade fast. There is nothing more demanding than staying ahead of the competition. Ask any world champion for reference... Competition is fierce and the technical possibilities are evolving at neck-break speed – established systems have to be maintained, updated and replaced by or connected to better solutions. All of which need to scale with the success, e.g., handling peak loads on Black Friday and Christmas. This is why the cloud is essential – it allows to scale flexible almost without limits. Even though digital masters benefit most from digital assets already in place, connected commerce is the next frontier and will not come along by itself. Digital masters have proven their agility, their speed of innovation. Use your experience and pole position now for perfection. Optimize your offering by providing new contact points for your customers using API driven commerce for extending the seamless experience you offer.

When choosing technology and technical partners be sure to select options that will allow you to respond to change quickly and inexpensively. Cloud-based or modular e-commerce platforms will help you to avoid the complexity and expense that

replatforming can involve. Some of the more rigid, 'one size fits

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all' solutions can prove a costly mistake as soon as they need to respond to changing market demands. Whether you're a digital newcomer, digital professional or a digital master, choose your platform carefully and with the future in mind. It is also no secret that great leaders consult experts. So, if digital is not your natural strength, don't be afraid to ask for help.

Appendix

Research Methodology

The research was conducted on behalf of Intershop by Vanson Bourne, an independent specialist in market research for the technology sector.

The Company surveyed 400 B2B decision-makers with responsibility for e-commerce in Benelux (40), France (60), Germany (60), the Nordics (60), the UK (60) and the USA (120) that have global annual revenues of €5 million or more. The Nordics and Benelux did not have country-specific targets (e.g., Sweden, Norway etc.).



Construction materials



Retail



Automotive



Wholesale trade



Construction machinery



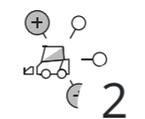
Tools



Original brand manufacturer (OBM)



Maintenance, repair & operations (MRO)



Other machinery equipment

The B2B sector list included:

Glossary

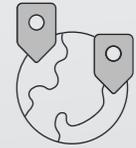
The fields of actions in the digital demand chain of e-commerce are defined as:



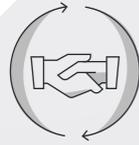
Digital commerce is the selling of goods and services using the Internet, mobile networks and commerce infrastructure. It includes all activities that support these transactions, including people, processes and technologies to execute the digital offering.



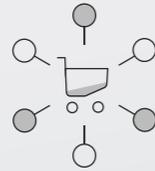
Marketing and customer experience includes dedicated B2B marketing, lead to revenue or marketing automation activities, including people, processes and technologies to execute the activities of the development of targeted content, analytics, promotion, pricing, customer acquisition and retention, and customer experience at all touchpoints throughout the customer buying journey.



International commerce includes all activities to grow the digital business internationally, including people, processes and technologies to extend the digital commerce globally or in dedicated regions.



B2B business collaboration aims to foster digital purchase, e-procurement and services between customer and company. At its core, this involves the digitization of the actual sales process.



Omni-channel commerce is about the classic omni-channel (online/offline) offering customers a seamless customer experience via every channel as well as the integration of new channels such digital marketplaces.



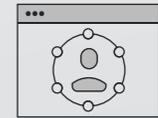
Field sales and service enablement includes all activities to integrate the field sales and service into digital commerce, like mobile devices, apps or tools to offer customers added digital value. It also means to integrate sales activities of various channels in a holistic process geared to the customer journey.



Connected commerce is the linking of digital devices (Alexa, mobil, IoT, smart devices, etc.) and technologies (IoT, voice commerce, car commerce, etc.) to create new value chains, purchasing options and service experiences.



After sales portals affect all company services in terms of service and support. The services range from the classic “My Account” functionalities, booking a service technician, FAQs, product manuals and personal advice via chat. After sales portals bundle all online and offline services of a company in one central place.



Digital customer portals are where all comes together – the whole customer journey along the complete customer lifecycle and all channels are mapped in one place. Through such a portal companies fully leverage digital touchpoints to provide their customers’ seamless experiences and generate insights that enable them to improve their operations or to facilitate an efficient management of supplier relationships.

intershop®

Intershop has been rated a Leader in The Forrester Wave™: B2B Commerce Suites, Q3 2018 report. Saying only Intershop and two other vendors “lead the pack,” Forrester gave Intershop a score of 4.0 in the “Current Offering,” category, the highest ranking of the dozen companies assessed in the research.

According to the report “Intershop has a solid vision for the future of B2B buying and selling, and its ability to support that vision is even more impressive”. For over 25 years Intershop has been committed to delivering a flexible e-commerce platform to meet the B2B commerce demands of our customers.

Intershop Communications AG (founded in Germany 1992; Prime Standard: ISH2) is the leading independent provider of omni-channel commerce solutions. Intershop offers high-performance packaged software for Internet sales, complemented by all necessary services. Intershop also acts as a business process outsourcing provider, covering all aspects of online retailing up to fulfilment. Around the globe more than 300 enterprise customers, including HP, BMW, and Deutsche Telekom run Intershop solutions. Intershop is headquartered in Jena, Germany, and has offices in the United States, Europe, Australia, and China. See www.intershop.com

*The Forrester Wave™: B2B Commerce Suites, Q3 2018 report

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