

B2B E-COMMERCE GUIDE

6

WAYS TO CONNECT TO YOUR END CUSTOMER TO DRIVE BETTER ENGAGEMENT





INTRODUCTION

SHOULD B2B E-COMMERCE COMPANIES CONNECT TO THE END CUSTOMER AND WHY?

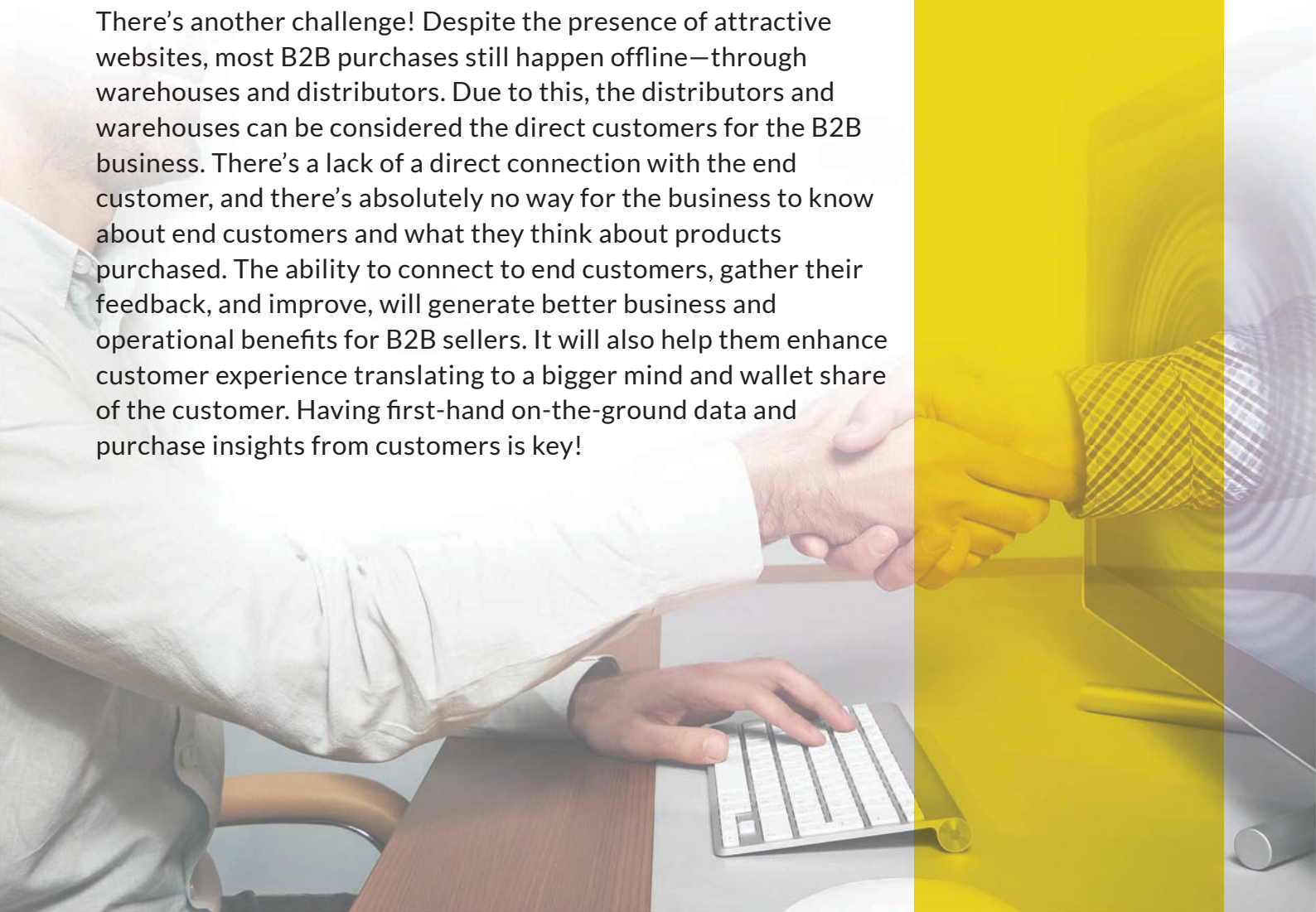
The B2B e-commerce space has been evolving rapidly over the last few years and B2B brands have begun realizing this fact. A recent study conducted by Forrester Research and commissioned by hybris Software showed that 67% of North American B2B firms believe that e-commerce is fundamentally changing B2B commerce. Forrester also predicts the U.S. B2B e-commerce market to reach \$1.13 trillion by 2020.

This change has put B2B sellers in the hot seat. B2B buying experiences are now garnering attention from massive online marketplaces such as Amazon, Google, eBay and Alibaba, and will very soon result in a complete transformation in the B2B marketplace—very similar to what happened in the B2C space. 80% of B2B buyers are already expecting the same buying experience as B2C customers. Hence, it is extremely important for B2B e-commerce companies to quickly jump on to the bandwagon and connect to their end customers—to survive, to transform buying experience, and gain the competitive edge.

CHALLENGES FACED BY B2B E-COMMERCE

A study by University of Southern California states that B2B ecommerce average conversion rate is 7% as opposed to B2C with 3%. As B2B companies work on taking advantage of these trends and transforming their business, there's a key challenge that they are faced with: improving end customer engagement to drive better business outcomes. Forrester says, 93% of B2B buyers prefer buying online rather than from a salesperson once they've made up their mind on what to purchase. That being said, a majority of B2B commerce companies do have websites and ecommerce storefronts that users get attracted to and plan their next purchase. However, converting this traffic to meaningful insights is an area that's unexplored and out of league for many B2B sellers. Vendors do not have the required visibility into website data: who visited their site, specific kind of behavior visitors engaged in, the different products that they considered, etc.

There's another challenge! Despite the presence of attractive websites, most B2B purchases still happen offline—through warehouses and distributors. Due to this, the distributors and warehouses can be considered the direct customers for the B2B business. There's a lack of a direct connection with the end customer, and there's absolutely no way for the business to know about end customers and what they think about products purchased. The ability to connect to end customers, gather their feedback, and improve, will generate better business and operational benefits for B2B sellers. It will also help them enhance customer experience translating to a bigger mind and wallet share of the customer. Having first-hand on-the-ground data and purchase insights from customers is key!



OPTIMIZING THE CUSTOMER ENGAGEMENT PROCESS

Happiest Minds has had rich experience working with B2B businesses. We have partnered with several B2B commerce companies to help them embark on a digital transformation journey. They have been able to engage better with customers and make better informed decisions. Based on this experience, we would categorize the customer engagement process into two key sets of activities: 1. Data collection, and 2. Analytics.

1 DATA COLLECTION

Cognitively opt in end customers into the data collection program and acquire as many details as possible: The goal here is not limited to capturing easily available or quickly obtainable details. The objective is to capture as many end customer details as possible—at least 80% data is reasonable. This can be achieved by making the program attractive enough so that customers are benefited in return and they are motivated to provide data and feedback about products. To achieve this, customers first need to agree to provide data—they need to be opted into the program. Generally, an “agree” or “disagree” button does the job for any data collection program. However, to get honest feedback more willingly from customers, they have to be opted-in cognitively. As an example, a way to achieve this is by embedding a QR code in the

product packaging and giving an opportunity to end users to win an extended limited-period warranty on the product by simply scanning the code and providing a few relevant details. This will not only allow them to cognitively opt in to the program but also motivate them to provide data through tangible benefits.

A repeatable and scalable model: Investments into the data collection program should definitely offer long-term benefits for the B2B commerce company. A one-time effort is not worth investing in; the ideas should be repeatable and scalable. Furthermore, to make the program viable, a similar approach should be applicable to all product lines that the customer has. If we consider the same QR code example, the idea is repeatable and scalable with scope of being inbuilt in all products.

TRANSACTION-LED PROCESS

This is mostly driven by offers, promotions, purchases and full-basket checkout experiences. Offers could include price availability only after a customer logs in, complementary products, subscription models for self-service customers, etc. Today, promotions and product details are pushed to B2B buyers as well. B2B user experiences have moved from basic portals with limited information to educational avenues.

Overall, B2B buyers want to see their B2C conveniences transferred over to the B2B space. While 72% of B2B buyers want self-service access to accounts and orders, 64% of B2B customers want scheduled deliveries.

Transaction-led processes could also involve the implementation of a full-basket checkout experience for B2B buyers, complete with freight and volume shipping options. Here, basket details are passed over to ERP, and when a customer calls the customer service line and references the PO number, it is possible to locate the record right away.



EMOTIVE-LED PROCESS

Emotive-led processes are driven by value that a vendor can bring to the table, the ability to engage at the human level, and social relevance. In B2B commerce, businesses are buying from businesses. However, though the purchase is made by and for an organization, it is human beings (example, procurement officers) who are interacting with each other. Human stories, the collaboration and connection work well from a psychological standpoint as they offer professional, social and emotional benefits in addition to the actual product.

Taking a social stance with respect to important issues that are part of the popular culture is also gaining importance. Buyers expect brands to take a stand and share their opinion on issues that matter. This is not restricted to the B2C space. A Hotwire study suggests that the business-to-business sector has similar expectations at a time when several organizations have been brought to their knees by heated discussions around how they approach diversity, pay equity and harassment, among other issues. The study by Hotwire, titled High-Stakes Leadership in a Post B2B World, states that 80% of business leaders would end a relationship based on a vendor's failure to address such issues at a time of crisis.

2 DATA COLLECTION

Analytics helps derive insights and drive actions such as the following:



Personalized messaging and recommendations

Analytics can help sellers understand user actions and behavior better. It can help sellers pick up on buyer attitudes rather quickly enabling them to tailor marketing strategies to fit buyer preferences. They are able to send tailored messages to customers and offer them personalized recommendations with a greater possibility of a sale or conversion.



New product ideas

By communicating directly with the end user, and from an internal operations effectiveness perspective, analytics could also drive new product ideas. With accurate data on past failures and scope for improvement, B2B commerce companies are able to invest in the right product lines and are able to capture new business opportunities more effectively. This leads to better planning and smarter decisions which are based on insights captured from on-the-ground data.



Warranty and returns optimization

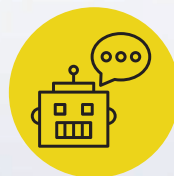
The right insights at the right time could help optimize the warranty period calculation process for different products. Consider this example: A B2B seller may be offering a one-year warranty on a product since its inception. However, based on analytics and insights derived, if the seller realizes that the company could actually offer a longer-period warranty on the product, the action could act as a business differentiator for the product and the seller.

SIX WAYS FOR B2B BUSINESSES TO CONNECT TO THEIR CUSTOMERS

While the digital landscape provides a plethora of ways to connect with customers effectively, this whitepaper lists the top six ways of building a winning relationship for B2B e-commerce companies.



**USER
SEGMENTATION**



CHATBOTS



**CLICKSTREAM
ANALYSIS**



**MOBILE
APPLICATIONS**



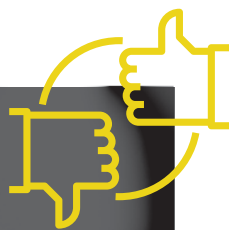
**SENTIMENT
ANALYSIS**



**LOYALTY AND
ENGAGEMENT**



SENTIMENT ANALYSIS



The B2B world seldom talks about emotions and sentiments, as B2B products are considered more pragmatic than flashy. A CEB study that analyzed the power of personal emotions on B2B purchases highlighted that 71% of buyers who see a personal value in a B2B purchase will end up buying the product or service. Even more surprising was the realization that personal value had twice the impact on the buyer than business impact. 68% of buyers who appreciate a personal value in a B2B product are even ready to pay a higher price.

Sentiment analysis helps gauge emotional response by measuring audience attitude, opinion and emotion about a brand or a product. Sentiment analysis helps B2B organizations improve their marketing strategy. After all, B2B buyers too are human and will look elsewhere if they aren't provided a personalized buying experience.

Customer sentiments can be tracked effectively by: collating customer sentiment data via social listening, consciously listening to conversations between customers and prospects on social media platforms, tracking keywords and hashtags, conducting surveys and polls, etc. Different customers may express different sentiments toward the same question that offers the same solution, and such opposing sentiments help derive important insights into the various ways that buyers perceive a brand.

The steps involved in Sentiment Analysis can be summarized as follows:

Data Collection and Data Cleaning

The Data Collection process involves the identification of source systems from which the data needs to be collected. The source systems could be Social channels, eCommerce sites among others. The next step would be to build crawlers which would allow for collection of all relevant data including product description, feedback, review comments and customer ratings for a product.

Post the Data Collection process the data needs to be cleaned to remove duplicates, irrelevant items such as stop words, and one or two letter words.

Feedback Processing

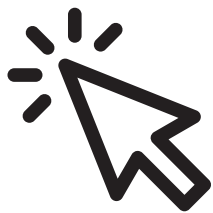
Once the data has been collected and cleaned, AI algorithms like TF-IDF are used to process this data to identify product names from the text.

Scoring

To compute the scoring the comments are classified into categories like Negative, Positive and Neutral. The scoring is assigned based on the detection of keywords and the context in which these have been used.

Reporting

The final step is to compute insights like identification of common patterns, competitor sentiment score for similar product and reporting to relevant stakeholders.

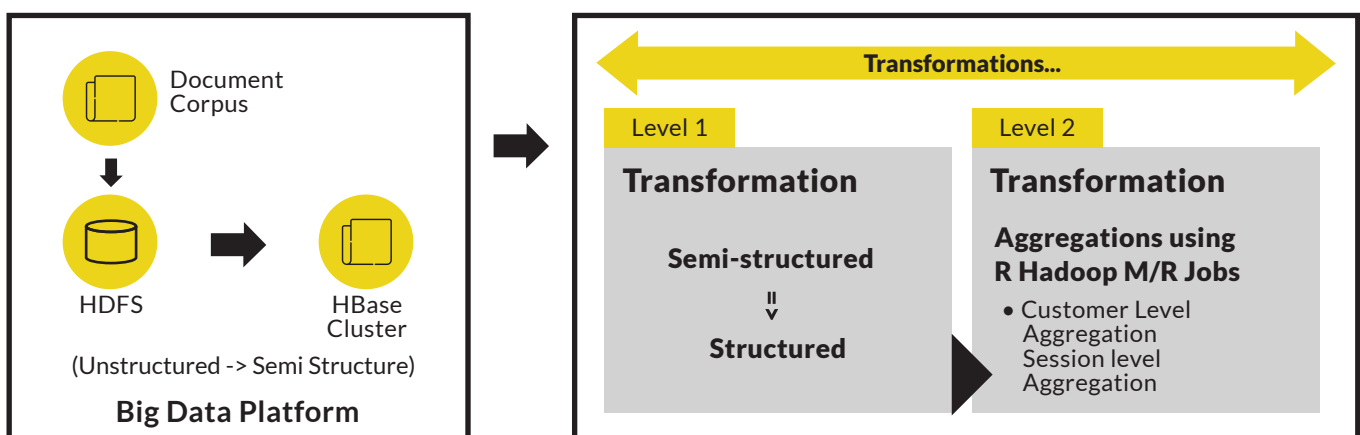


CLICKSTREAM ANALYTICS



Clickstream Analytics—via traffic and ecommerce analytics—is the process of gathering, studying and reporting aggregate data about web page visits and the order in which visitors view the pages. The route taken by the visitor is called the clickstream. Traffic analytics operates at the server level and examines the number of pages served to the user, page loading time, the frequency of clicking on the browser's back or stop button, etc. Ecommerce analysis, on the other hand, leverages clickstream data to understand the success of the site as a channel-to-market. It analyzes what pages the site visitor stays on, what the shopper adds or deletes from his/her shopping cart and what items are finally purchased. This data can help predict purchasing behavior and enhance performance of their websites.

Provided below is a typical architecture of how Clickstream Analytics can be implemented:







Big data analytics—leveraging tools such as Hadoop—can help B2B companies construe data and generate reports for specific areas of interest. Clickstream analysis, when used in conjunction with market evaluation resources, can offer actionable insights and business intelligence giving sellers the competitive edge.

USER SEGMENTATION

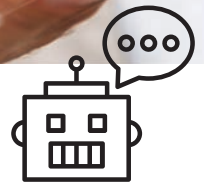


Organizations should be able to group their customers via user segmentation based on their profiles, including geographical location, order volume, catalog selection, reorder frequency and quantity of products ordered. It allows B2B companies to deliver personalized experiences for groups or individuals. The typical steps involved in user segmentation are listed below.

-  Collect Data about Customers and their purchases
-  Create models to identify patterns
-  Segment Customers using cluster analysis
-  Derive Actionable Insights



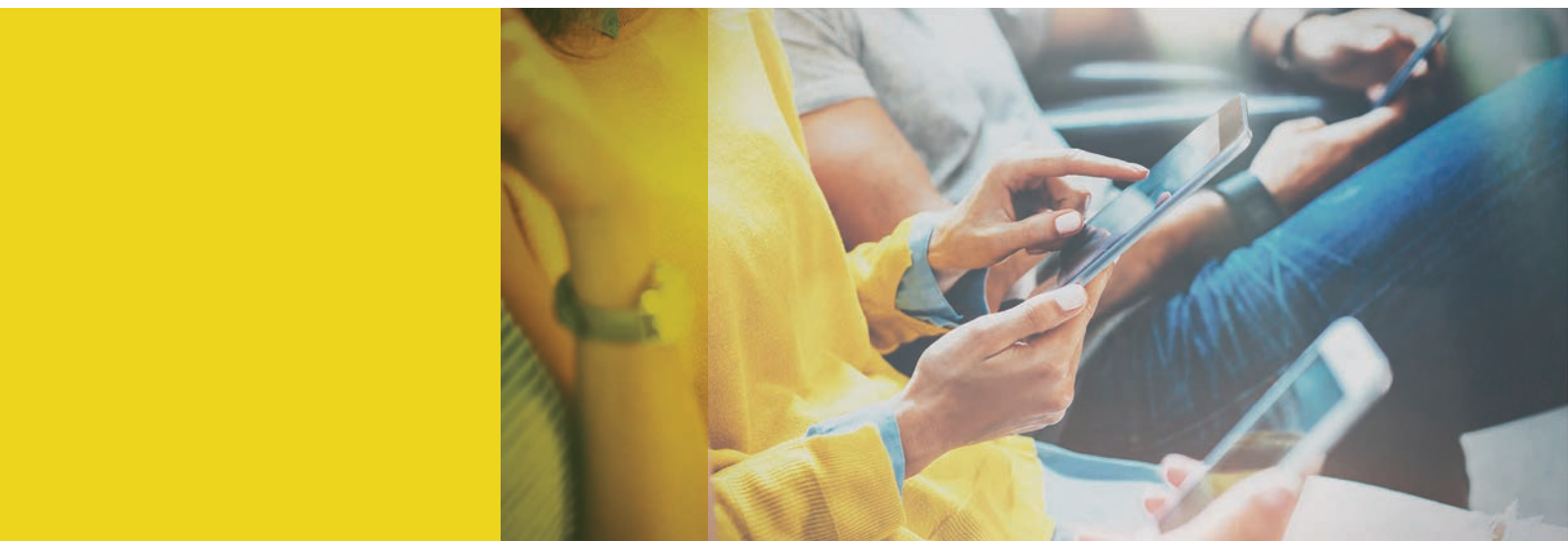
CHATBOTS



A chatbot or chatter robot is a computer program that mimics human conversations in its natural format including text or spoken language using artificial intelligence techniques such as Natural Language Processing (NLP), image and video processing, and audio analysis.

Chatbots have been assisting businesses in delivering customer service to a great extent. While customers are increasingly preferring chat to traditional phone calls, AI-powered bots have been transforming the way people and businesses interact with brands and services. Personalized and contextual responses via these chat interfaces not only offer customer delight, but also deliver cost savings to companies due to the ability to offer the chat services without the involvement of human agents. Right from lead qualification to collating data, to closing a deal, to problem-solving, chatbots can create engaging and unique experiences while saving time and money.

MOBILITY



A recent B2B research and data from Google and BCG highlights the value of a seamless mobile experience for B2B customers. 80% of B2B buyers use mobile at work. 60% of B2B buyers agree that mobile played an essential role in a recent purchase. 70% of B2B buyers increased mobile usage significantly over the last two to three years. 60% of B2B buyers expect to continue increasing mobile usage. Today, 50% of B2B queries are made on smartphones, and BCG expects this figure to grow to 70% by end of next year.

Indeed, mobile devices influence over 40% of revenue in leading B2B organizations. Brands that are quick to embrace mobile see increased revenues through the channel in comparison to those who wait to catch up.

The biggest benefit to going mobile is conversion of anonymous users to registered users and this leads to better information about the end customer and continuous engagement with the customers. Mobile helps as an enabler in:

Collecting better data about the customer, product and brands

Influencing purchases through contextual information like “where to buy” with location awareness, product specific troubleshooting guides and notifications for replenishment of consumables

Deriving better insights and building customer loyalty

LOYALTY AND ENGAGEMENT



As purchasing choices of customers have expanded, expectations have grown and brand loyalty has seen a sharp decline. Building a strong connect with customers is no longer about the product. It is also not sufficient to rely on a sales relationship or the organization's marketing communications and messaging.

In the B2B world it is very challenging to build a platform which would allow the companies to engage directly with their customers as the bulk of the sales is through intermediary channels.

To implement a Loyalty program in the B2B world, the companies need to be able to motivate end customers to enroll in these programs by providing value.

Make Enrollment simple and linked to the purchase. For example, a QR code embedded on the product pack which will ask customers to identify themselves by registering the product to get a reward.

Provide attractive benefits/rewards like:

- Extended Warranties
- Reward Points
- Merchandise
- Gifts
- Discounts

Create a continuous engagement by leveraging this channel to Provide information on product installation, "How To" Videos and Gamified contests.

To convince, win and retain customers, companies will need to think and act strategically. The best way forward to build loyalty is: developing relationships based on engagement.



DEFINING KEY SUCCESS FACTORS AND LEVERAGING THE POWER OF DIGITAL

To gain maximum advantage of market trends and the transformation in the B2B e-commerce space, it is important to identify key success factors in one's specific area of business and focus efforts on them by leveraging mobile and digital channels. At the same time, if a wise implementation strategy is not in place, it is easy to fail!



Having purchase insights and on-the-ground data from end users will help B2B commerce companies make informed decisions with respect to launching new product lines or exploring new business opportunities. Understanding what users think about specific products will help B2B companies realize product failures, and will give them the opportunity to analyze and re-engineer parts based on customer expectations. Having the right usage and claims insights will help companies better predict warranty and returns. They will also be able to:



Provide accurate and relevant information to users.



Predict customer needs ahead of time to offer better service.



Help users locate where to buy along with information about availability.

CONNECT WITH HAPPIEST MINDS TO FIND OUT HOW WE CAN ADD VALUE

We at Happiest Minds have an extensive background in working with B2B e-commerce companies across different industry segments to help them leverage digital technologies to create personalized, engaging and rich customer experiences.

Here is a quick snapshot of some of the exciting work we have carried out recently:

NLP based Sentiment Analytics platform for a Canadian Tech Company

Developed a scalable platform for collecting data from social media sites in real time with the ability to provide accurate sentiments against identified keywords using NLP.

Pharmacy Segmentation for a leading Pharmaceutical Major

Developed a solution to help assess the business potential of pharmacies in certain chosen markets that could easily be segmented by either geography or type of diseases.

Bot based Search for an Auto Parts Manufacturer

Developed a Bot engine for searching an entire roster of automotive parts and brought about integration with the e-commerce site. This simplified the end-user experience by providing a conversational interface to identify the relevant parts quickly with minimum clicks.

TO FIND OUT MORE ABOUT HOW WE CAN HELP YOU ADDRESS YOUR B2B E-COMMERCE GOALS, WRITE TO US – business@happiestminds.com

About Happiest Minds

Happiest Minds enables digital transformation for enterprises and technology providers by delivering seamless customer experience, business efficiency and actionable insights through an integrated set of disruptive technologies: big data analytics, AI & cognitive computing, Internet of Things, mobility, cloud, security, unified communications, SDN-NFV, RPA, etc. Happiest Minds offers domain-centric solutions applying skills, IPs and functional expertise in IT services, product engineering, infrastructure management and security. These services have applicability across industry sectors such as retail, consumer packaged goods, edutech, e-commerce, banking, insurance, hi-tech, engineering R&D, manufacturing, automotive and travel/transportation/hospitality.

Headquartered in Bangalore, India; Happiest Minds has operations in the US, UK, The Netherlands, Australia and Middle East.

www.happiestminds.com

