

AS FEATURED IN

DIGITAL B2B
COMMERCE 360

BOOSTING SALES WITH TECH INTEGRATION

Giving customers the B2B buying experience they demand, manufacturers and distributors tell how they're driving commerce with the right connections between their back-end software and customer-facing ecommerce.

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OVERVIEW

THE TICKET TO B2B DIGITAL SALES GROWTH

Among a diverse group of manufacturers and distributors offering useful online buying journeys to their customers, one thing stands out in common: A customer-facing digital interface displaying critical information pulled from back-end software, including enterprise resource planning, product information management software and applications managing product and customer data.

Heavy equipment manufacturers Caterpillar Inc. and Hyster-Yale Group and distributors IBT Industrial Solutions, Groupe Touchette and Fairmount Tire & Rubber are all relying on ecommerce technology integration to move ahead with sales-generating B2B ecommerce strategies.

“We worked to understand the different types of customers in an ecommerce portfolio that addresses their needs and makes customers more productive,” says Brent Steffen, vice president of ecommerce at Caterpillar and its Cat Digital business.

Like the other companies mentioned here, Caterpillar (see page 13) is relying on integration between its customer-facing ecommerce technology and back-end software. The setup pulls critical data and images effectively from its enterprise resource planning and other applications. It gives buyers what they need to find and purchase what their company needs.

The stakes are high for B2B sellers to provide a useful customer-facing interface with updated, accurate and easy-to-find views of products — and with a measure of personalization that lets buyers more quickly find all of what their procurement task requires.

“There’s plenty of opportunities for companies to get the basics of B2B ecommerce, but that means good integrations — improved product data, PIM technology, and making buying processes more efficient,” says Gene Alvarez, vice president and digital commerce analyst at technology research and advisory firm Gartner Inc.

“If you’re doing online B2B personalization,” he adds, “you need to accurately provide the exact product you’re recommending so that there’s no mis-buy. In the B2B world, if I buy the wrong thing, I have to send it back and wait for the right thing — and that might shut down one of my production lines.”

More B2B companies are getting that message and configuring their ecommerce and back-end technology with a focus on what their customers need.

“The way in which we can engage our customers is to provide one central place that makes it easy for them to shop for anything they may need,” says Kellie Casey, manager of aftermarket communications and ecommerce at forklift manufacturer Hyster-Yale Group.

UPGRADING ERP FOR ECOMMERCE SALES

At IBT Industrial Solutions, the key to making its personalization strategy work will be integrating new personalization engines and tools into its ecommerce platform. As part of its personalization strategy, IBT is upgrading its ERP system to help improve data flow between the ERP software and IBT’s ecommerce platform.



IBT Industrial Solutions is upgrading its technology system to improve data flow between the ERP software and IBT’s ecommerce platform.

—Carin Sampson,
vice president of human
resources and marketing,
IBT Industrial

“Our legacy ERP predates APIs, and that’s where the complexity with integration comes in,” says Carin Sampson, who heads up IBT’s ecommerce strategy as vice president of human resources and marketing.

She adds that the company’s ecommerce platform integrates easily with its product information management (PIM) system.

“For us, it’s about the tech stack, not one app,” she says.

Once IBT completely installs its new ERP system, Sampson says the company will be able to make relevant product recommendations for each customer, whatever their interests.

In addition, IBT is looking to add predictive analytics to forecast what products customers are likely to buy, helping IBT to achieve the right balance in its catalog. The company has more than 2 million SKUs in its ERP system.

“Right now, we can get data on what a customer buys and how often, but we can’t predict what they are likely to buy,” Sampson says.

“That is a capability we want to pull into the personalization mix.”

ROLLING OUT BETTER SERVICE TO AUTO REPAIR SHOPS

In a trend affecting multiple industries, selling tires is becoming more challenging with the increasing number of private labels and tire sizes and greater demand from B2B and B2C buyers for an omnichannel buying experience.

So as a prominent tire supplier to Canada’s automobile manufacturers, dealers and independent tire retailers, Montreal-based distributor Groupe Touchette Inc. has relaunched its

HOW A SMART ROLLOUT OF MODERN DIGITAL COMMERCE ELEVATES B2B BUSINESS

An executive conversation with **Kevin Reese**, corporate vice president commerce, Blue Yonder



A new generation of B2B buyers who grew up with the ability to shop online 24/7 now demand omnichannel shopping options in their professional lives as well. Still, many B2B companies are struggling with digital commerce transformation — held back by the belief that their business is too complex for ecommerce. Digital Commerce 360 B2B spoke with Kevin Reese, corporate vice president of sales, Luminare Commerce, at Blue Yonder, about how using the right commerce technology and implementing it incrementally can help B2B companies elevate their business, meet the expectations of today's B2B buyers and boost sales.

What challenges do B2B companies face as they try to boost their sales?

B2B companies are faced with a customer whose expectations have evolved and now want experiences that more closely reflect the experiences they have as consumers. The challenges start at the beginning of the journey when customers are searching and browsing product catalogues and then placing an order.

In the lens of search, browse and ordering, the primary challenges are:

1. It is difficult to expose accurate and real-time inventory across the entire network.
2. They lack digitalization of the ordering process and are not mirroring the experience customers have with consumer ordering.

How well are B2B companies embracing digital commerce as a whole?

B2B companies know digital commerce is important to stay in business, but the path to digitization can be challenging. It can be unclear on where to start — what processes, what business functions and what technology should change, and in what order?

For example, many B2B companies are relying on an ERP to manage complex order management and fulfillment functions. The ERP certainly has its place, but companies need to evaluate if they're using the right technology to solve the problems at hand.

The other challenge they face with embracing digital commerce transformation is moving away from monolithic, rigid solutions that are expensive and hard to upgrade and modernize for their modern challenges.

What can they do to overcome these issues?

B2B companies need to understand where their customers and the market are going and how to leverage modern technologies in conjunction with the investments they have made to-date to match that vision and direction.

To dig deeper and understand how to be successful into the future, they should ask themselves if they:

- Can adapt as their needs change
- Can react when there's a market shift
- Are positioned to use new types of technology
- Are using artificial intelligence (AI) and machine learning (ML) to predict demand
- Are using AI and ML to optimize inventory placement to reduce costs

They should also understand that they don't have to do everything at once. The technology available today can work with a company's existing systems. An augmented approach will help them get to where they need to be in incremental steps. Small bites of innovation can move a digital transformation along much faster than ripping and replacing.

B2B companies should also consider working with a technology partner that offers the capabilities that allow them to deliver the experience today's B2B buyers demand. Blue Yonder, for example, has reimagined the order management space using a microservices-based approach and purpose-built solutions that address the most pressing needs of the business; the microservices are infused with the latest AI/ML capabilities, and the solution set is built to be highly performant and scalable to meet continuously evolving customer needs.



There's a better way to manage orders.

Innovate Your Order
Experience with Blue Yonder.



You have technology in place to manage orders, but could the experience be better? Blue Yonder Inventory and Order Management solutions help accelerate digital commerce transformation and meet omnichannel demands without the headache of replacing your current systems. Start the journey to network-wide inventory visibility, transparent order orchestration, and happy customers!

ecommerce platform to meet the demands of multiple B2B channels and individual consumers.

The company's new ecommerce platform, running on SAP Commerce technology from SAP SE, hosts several transactional commerce sites, including TireLink.ca for sales to motor vehicle manufacturers and their dealers; DTTire.ca for independent tire dealers and installers; and Tireland.ca, where consumers can purchase tires and arrange for professional installation.

Groupe Touchette says 94% of customer orders are now placed through the ecommerce site, up from less than 80% on its prior site.

OPERATING ONLINE WITH MORE AGILITY

"The tire distribution industry has seen significant shifts in recent years, including the emergence of private-label tires, and advanced use of data, analytics and technology logistics," says Denis Gallagher, vice president of IT. "Since the establishment of the new omnichannel B2B platform, we have been able to respond to these demands with more agility."

As a result, he adds, "we are seeing our customer loyalty, competitive advantage, and market share all increasing, coupled with a reduction in calls and costs to our call centers."

Groupe Touchette also operates more than 50 distribution centers throughout Canada, putting it "in a position to offer delivery services in 90 of the 100 largest cities in the country in less than three hours," Gallagher says.

The distributor's overall sales and fulfillment operations, however, require reliable connections to exchange customer and product



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—Denis Gallagher,
vice president of IT,
Groupe Touchette Inc.

data between its ecommerce platform and back-end business operations software.

INTEGRATING ECOMMERCE WITH ERP

Groupe Touchette worked with Toronto-based systems integrator Pivotree to deploy SAP Commerce and integrate it with the distributor's SAP S/4HANA enterprise resource planning software, providing for accurate online presentation of such content as:

- Customer contract pricing.
- Order details and status.
- Customer activity data.
- Promotions.

Among other improvements, the ecommerce platform also features enhanced site search and navigation, resulting in more repeat customers and fewer calls to customer service, Gallagher says.

Fairmount Tire & Rubber, a Los Angeles-based regional distributor, uses its integrated ERP, order management and delivery management systems to automatically coordinate how orders are delivered with the most efficient use of trucks and routes, says Scott Dushane, director of IT.

“It is an unbelievably difficult problem to route trucks throughout a city, like mathematically,” he says, adding, “Descartes comes up with sort of magical solutions that [we] never came up with for the last 30 years of running the same routes.”

As customer orders come into Fairmount's B2B ecommerce login customer portal, at b2b.fairmounttire.com, the tire distributor's financial software generates electronic invoices that the delivery

management system allocates to delivery trucks based on their availability and capacity.

'WE TOTALLY ELIMINATED PAPER'

One advantage of the new system is replacing a system that used to require three sheets of paper for each invoice. When drivers make deliveries, they use mobile devices stored with order details and e-invoices to receive customers' digital signatures and generate delivery confirmation notes.

"We totally eliminated paper," Dushane says.

In addition, Fairmount speeds up deliveries by using its software to arrange multiple orders on the same truck in a way that makes them faster to unload at each customer's destination.

And that has opened the door to more sales opportunities as well as greater efficiency, Dushane says.

"We have been able to start to run second and third routes because of Descartes ... because we know when the drivers will be coming back and what the trucks can be filled up to — there's no obfuscation," he says.

"We have fixed costs," he adds. "So let's use those fixed costs to the best of our ability." ✓



Fairmount's delivery management system comes up with "sort of magical solutions."

—Scott Dushane,
director of IT,
Fairmount Tire & Rubber

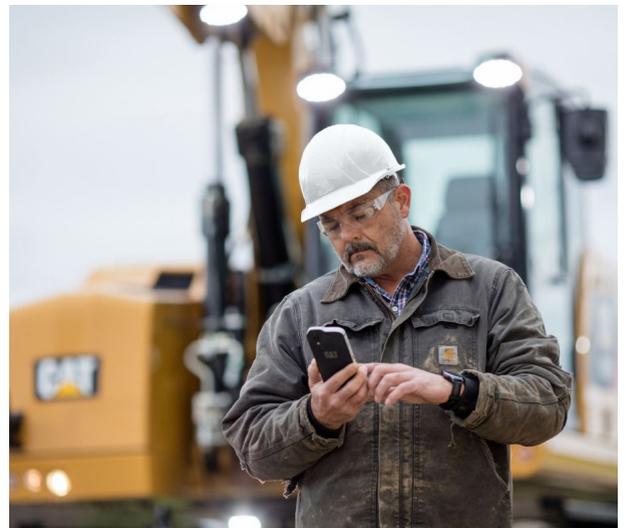
HOW CATERPILLAR PUSHES AHEAD WITH ECOMMERCE

Caterpillar set a goal last year of increasing online parts sales through its dealers by 50% within three years. In a keynote presentation at the 2023 EnvisionB2B, Brent Steffen, director of ecommerce, said Caterpillar is making progress through technology integration, meticulous customer research, investments in personalization and a new mobile app.

Caterpillar Inc. surpassed \$2 billion in digital part sales last year, and in May 2022 set a goal of increasing online sales through its dealers by another 50% within three years. Brent Steffen, director of ecommerce and digital marketing at the equipment manufacturer, provided an update on the progress of the campaign.

Speaking in a keynote fireside chat with Digital Commerce 360 editors Mark Brohan and Gretchen Salois at the 2023 EnvisionB2B Conference & Exhibition in Chicago, Steffen explained that the first step was understanding the different types of buyers of Caterpillar's earthmoving and other equipment, and how best to serve them online.

With that understanding, Caterpillar designed its parts-sales ecommerce site, Parts.Cat.Com, so that each type of buyer sees the kind of information they need about the 1.5 million parts the site offers.



A Caterpillar customer checks the heavy equipment manufacturer's mobile app for parts.

For retail buyers, the website provides a lot of information, imagery, specifications and two-dimensional designs. Professional buyers need the website to be tailored to each member of frequently extensive teams — from machine operators to technicians to procurement managers — and the website caters to each person’s needs.

Buyers get direct access through their enterprise resource planning and procurement software to the 130 out of Caterpillar’s 156 worldwide dealers that participate in its ecommerce program.

“We worked to understand the different types of customers in an ecommerce portfolio that addresses their needs and makes customers more productive,” Steffen said.

CATERPILLAR SETS DIGITAL STANDARDS FOR ITS DEALERS

As Caterpillar worked through this process, Steffen said, it identified two important groups that were critical to its digital success: its dealers and the employees who sell parts over the counter at those dealers’ 2,800 physical locations around the world.

While dealers are all independent businesses who do things their own ways, Steffen said, Caterpillar wants every online customer worldwide to have a premium and personalized experience. To do that, Caterpillar set digital standards that it works with its dealers to achieve.

That includes ensuring that every dealer ecommerce site shows real-time pricing and availability of parts. Retail customers must be offered a range of payment types, not just credit terms



“We worked to understand the different types of customers in an ecommerce portfolio that addresses their needs.”

— Brent Steffen,
director of ecommerce
Cat Digital, Caterpillar Inc.

but also credit cards and local payment options. And, when orders are placed, the website must enable customers to see the status of their order. Customers also must be able to initiate a return online, he said.

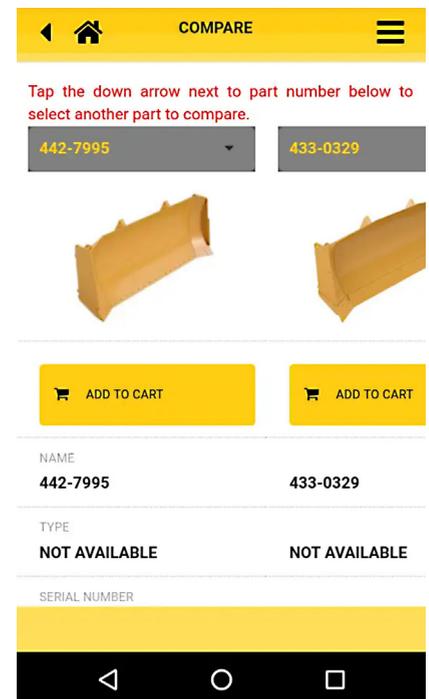
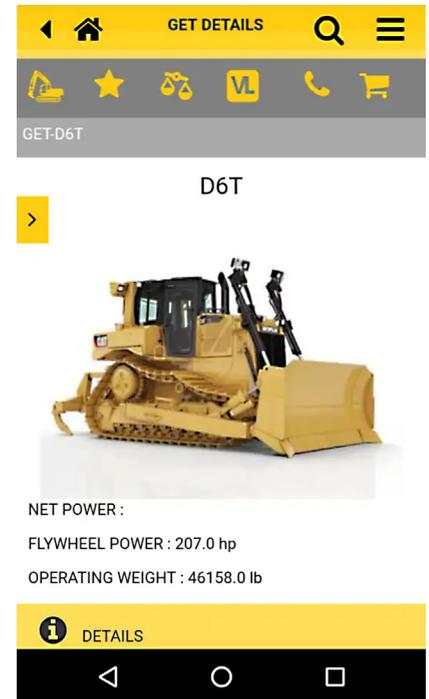
As for the over-the-counter salespeople, many felt that ecommerce would cannibalize their sales and reduce their commissions, Steffen said. Caterpillar embarked on a change management campaign to convince dealers and their employees “that we’re not trying to channel shift customers from over the counter to digital,” he said. “We’re convincing them that when we give customers choice, when they can come in to buy or buy online, our customers are more happy.”

CATERPILLAR'S NEW MOBILE APP

As part of the ecommerce acceleration initiative, Caterpillar this year introduced a new mobile app, Cat Central. A customer can use the app to scan the QR code on a Caterpillar machine and get information directly related to that piece of equipment, which the app identifies through the serial number embedded in the QR code.

That provides the customer with direct access to parts that fit that machine. While that makes it easier for customers to buy replacement parts, that’s not the app’s only function, Steffen said.

He said the app also provides each day personalized informational content and tips related to each customer’s equipment. The idea, he said, is to encourage customers — especially smaller customers who only buy parts occasionally — to use the app every day.



Caterpillar’s relies on product details pulled from back-end software to let customers view and order parts for a particular Cat Dozer bulldozer model.

“That retail segment, they’re harder to bring in,” Steffen said.

“The premise of Cat Central is we give retail customers compelling, useful content, delivered every day about how to own and operate equipment and do maintenance and repair, and seamlessly buy repair parts when there is a need.”

He said if they use the app regularly, they’ll know it’s available when they’re ready to make a purchase.

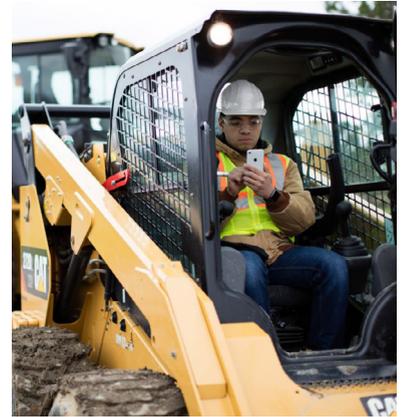
And because the app is as much informational as it is a sales tool, Steffen said, Caterpillar measures success not by conversion rate, but by how many customers use it.

CATERPILLAR SETS DIGITAL GOALS IN 14 AREAS

Steffen emphasized that a huge campaign such as Caterpillar’s ecommerce acceleration program must be broken down into its component parts. He said the manufacturer has identified 14 critical areas of work, such as site search, mobile and quality, and defined key performance indicators (KPIs) to measure success in each area.

The key to success has been commitment to the initiative from top management, he said.

“Our entire company is focused on driving services growth,” Steffen said, “and using ecommerce to do so.” ✓



A customer checks for available parts for Caterpillar equipment without leaving the job site.

Key takeaways:

- A first step identified three customer segments: small buyers, larger fleet operators, and enterprise customers who want direct integration through ERP and procurement systems.
- To ensure that all online buyers worldwide are satisfied, Caterpillar has set digital standards for its 130 dealers that participate in its ecommerce program.
- A new mobile app provides customers with daily tips on how to maintain and repair their equipment, and makes it easy to scan QR codes to get information that relates directly to the machines they own.

CONCLUSION

WHY YOU NEED TO INTEGRATE ECOMMERCE TECH

Integrating a B2B ecommerce platform with ERP, PIM and other back-end software has clear benefits — up-to-date data on the products B2B buyers need to do their job, among other things — but convincing B2B sellers to make such integration a budget priority inevitably runs into challenges in allocating limited resources.

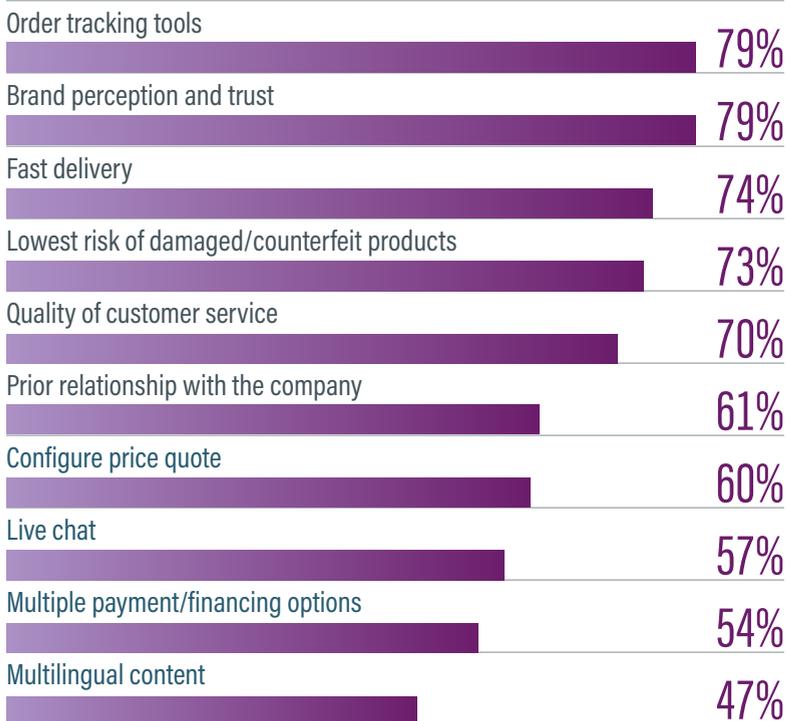
HOW IMPORTANT ARE EACH OF THE FOLLOWING ON-SITE ELEMENTS WHEN MAKING AN ONLINE BUSINESS PURCHASE?



But one critical trend that underscores the importance of effective digital technology integration is the demand for the kind of helpful B2B buying experience tech integration provides.

And what B2B buyers want was shown in a March 2023 survey of 103 B2B buyers jointly by Digital Commerce 360 and Forrester Research Inc. As charts here from that survey's results show, buyers want ease of finding products and helpful content as well as good prices among their top demands. They also want to track orders and get expedient deliveries.

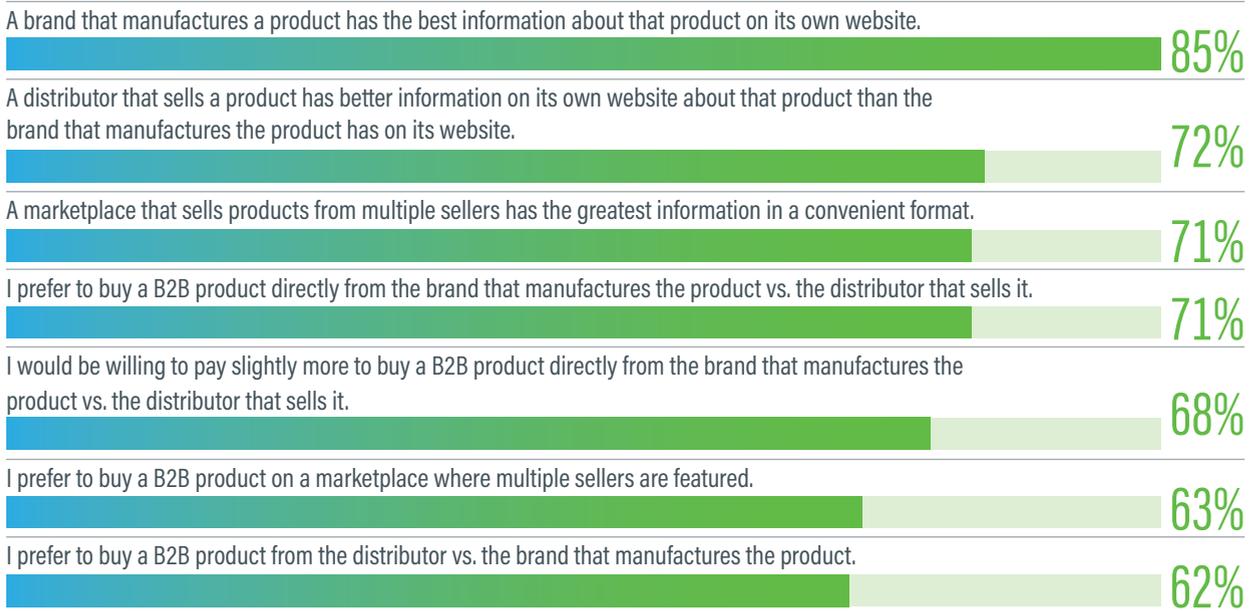
HOW IMPORTANT ARE EACH OF THE FOLLOWING PERCEPTION, PRICING AND CUSTOMER SERVICE ELEMENTS WHEN MAKING AN ONLINE BUSINESS PURCHASE?



The survey also found that buyers prefer purchasing on manufacturers' ecommerce sites because they find them to have the most reliable and helpful product information.

As the companies covered in this report show, however, those with technology configurations that tie their customer-facing ecommerce venues to their back-end software systems succeed in addressing these customer demands — whether the sellers are manufacturers or distributors. ✓

TO WHAT EXTENT DO YOU AGREE WITH THE FOLLOWING STATEMENTS?



ABOUT THE EDITOR

Paul Demery is editor of Digital Commerce 360 | B2B. Prior to DC360B2B, he was managing editor of Internet Retailer magazine. In earlier work, he was editor-in-chief/associate publisher of Electronic Commerce World magazine, which covered business-to-business applications of internet technology in multiple industries; he also covered various industries for other magazines and newspapers.



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ABOUT DIGITAL COMMERCE 360

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