
Andy Hoar & Peter Sheldon

June 2, 2015
## Indy 500: Start vs. Finish

<table>
<thead>
<tr>
<th>Start</th>
<th>Number</th>
<th>Driver</th>
</tr>
</thead>
<tbody>
<tr>
<td>30</td>
<td>1</td>
<td>Juan Pablo Montoya</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>Will Power</td>
</tr>
<tr>
<td>14</td>
<td>3</td>
<td>Charlie Kimball</td>
</tr>
<tr>
<td>1</td>
<td>4</td>
<td>Scott Dixon</td>
</tr>
<tr>
<td>17</td>
<td>5</td>
<td>Graham Rahal</td>
</tr>
<tr>
<td>8</td>
<td>6</td>
<td>Marco Andretti</td>
</tr>
<tr>
<td>5</td>
<td>7</td>
<td>Helio Castroneves</td>
</tr>
<tr>
<td>10</td>
<td>8</td>
<td>J.R. Hildebrand</td>
</tr>
<tr>
<td>9</td>
<td>9</td>
<td>Josef Newgarden</td>
</tr>
<tr>
<td>3</td>
<td>10</td>
<td>Simon Pagenaud</td>
</tr>
</tbody>
</table>

$780B

$334B

US B2B eCommerce: $1.1T By 2019

$1.1T

$480B

B2B eCommerce Accelerators

- Competition (direct and online-only)
- Need to show ROI with measurable transactions
- Compelling new uses cases (e.g. mobile)
- Cost savings arguments
- Globalization drivers
B2B eCommerce Decelerators

- No explicit eCommerce leadership
- No explicit C-level support
- Heavy back-end integration
- Channel conflict
B2B buyers already use the web to research products

74% research half or more of their work purchases online

Base: 126 B2B buyers

Source: Q2 2014 Forrester/Internet Retailer B2B Buy-Side Survey
B2B Buyers Expect To Buy More Online

30% make half or more of their work purchases online today

56% expect to make half or more of their work purchases online in 3 years

Source: Q2 2014 Forrester/Internet Retailer B2B Buy-Side Survey
74% Buying from a website is more convenient than buying from a sales representative.

Source: Q1 2015 Forrester/Internet Retailer B2B Buyer Channel Preferences Survey (n=229)
93%

Prefer to buy online when they’ve decided what to buy.

Source: Q1 2015 Forrester/Internet Retailer B2B Buyer Channel Preferences Survey (n=219)
The Rise Of The Digitally Enabled B2B Selling Model

Customer

Account team
- Field sales
- Inside sales
- Call center

Self-serve website
- Mobile
- PC/laptop
- Tablet
More Self-Serve B2B Buying Experiences

- Direct sales
- Parts, supplies
- Self-service portal
- MRI machine earthmover

- Item price
  - High
  - Low

- Order type
  - Custom
  - Generic

- Sales cycle
  - Short
  - Long
B2B Matching Competitors...Well Behind Amazon

...Your B2B competitors

<table>
<thead>
<tr>
<th>Better</th>
<th>Comparable</th>
<th>Worse</th>
</tr>
</thead>
<tbody>
<tr>
<td>48%</td>
<td>39%</td>
<td>14%</td>
</tr>
</tbody>
</table>

...Amazon.com

<table>
<thead>
<tr>
<th>Better</th>
<th>Comparable</th>
<th>Worse</th>
</tr>
</thead>
<tbody>
<tr>
<td>17%</td>
<td>36%</td>
<td>48%</td>
</tr>
</tbody>
</table>

Note: Numbers may not total 100% due to rounding
Base: 92 B2B eCommerce professionals
Source: Q4 2013 Global B2B eCommerce Online Survey done in partnership with Internet Retailer
## Becoming World Class

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Key strategy</th>
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</thead>
<tbody>
<tr>
<td>Culture</td>
<td>Foster a culture of digital innovation.</td>
</tr>
<tr>
<td>Organization</td>
<td>Organize to deliver digitally enhanced customer experiences.</td>
</tr>
<tr>
<td>Metrics</td>
<td>Underpin decisions with customer-centric metrics.</td>
</tr>
<tr>
<td>Technology</td>
<td>Enable with technology.</td>
</tr>
</tbody>
</table>
Investments in B2B commerce technology are on the rise
3/4’s of B2B firms are already upgrading their eCommerce platform or plan to within 3 years

“When, if at all, are you planning to change or upgrade your B2B eCommerce platform technology solution?”

- Don’t know 7%
- We already have a project underway 15%
- We are not planning to replatform in the foreseeable future 18%
- 25 to 36 months 3%
- 19 to 24 months 7%
- 13 to 18 months 9%
- Within the next 12 months 41%

50% of B2B eCommerce professionals plan to upgrade their platform technology solution in the next 18 months.

Base: 68 B2B eCommerce professionals focused on technology plans (e.g., IT platform choice, infrastructure spending plans)

Source: Forrester/Internet Retailer Q4 2013 Global B2B Commerce Online Survey
By 2019, US firms will spend $2.1b on licensing commerce technology

Source: Forrester Business technology ForecastView
Manufacturing & Wholesale are driving this growth

US Commerce Software Platform Spending (US$ millions)

- Education and government
- Healthcare
- Finance and insurance
- Utilities and telecommunications
- Media, entertainment, and leisure
- Business services
- Wholesale trade
- Retail
- Manufacturing
- Consumer products

Source: Forrester Business technology ForecastView
By 2019, B2B firms will spend more on commerce technology than online retailers do.

<table>
<thead>
<tr>
<th>Industry</th>
<th>2013</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer products</td>
<td>8%</td>
<td>5%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>12%</td>
<td>19%</td>
</tr>
<tr>
<td>Retail</td>
<td>41%</td>
<td>28%</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td></td>
<td>11%</td>
</tr>
<tr>
<td>Business services</td>
<td></td>
<td>4%</td>
</tr>
<tr>
<td>Media, entertainment, and leisure</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>Utilities and telecommunications</td>
<td>5%</td>
<td>4%</td>
</tr>
<tr>
<td>Finance and insurance</td>
<td>6%</td>
<td>7%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>5%</td>
<td>7%</td>
</tr>
<tr>
<td>Education and government</td>
<td>2%</td>
<td>5%</td>
</tr>
</tbody>
</table>

By 2019, B2B firms will spend more on commerce technology than online retailers do.
Replatform initiatives top the priority list

“What are your technology investment priorities for 2014?”

- eCommerce platform: 64%
- Back-end integration (including order management, ERP, financial reporting): 59%
- Mobile sites and apps: 58%
- Web content management tools: 52%
- Product content management tools: 44%
- Multichannel integration: 34%
- Site governance: 12%

Base: 73 B2B eCommerce professionals focused on technology plans (e.g., IT platform choice, infrastructure spending plans) (multiple responses accepted)

Source: Forrester/Internet Retailer Q4 2013 Global B2B Commerce Online Survey
Commerce is just part of a broader digital experience delivery program for B2B firms.
Today most B2B firms are upgrading to the full “Suite”
PIM is a foundational necessity for B2B firms
Many B2B firms integrate eCommerce and WCM

**Engagement Features**
- Presentation Management
- Navigation
- Site Search
- Content Targeting
- Personalization
- Mobile
- Recommendations
- Landing Pages
- Globalization/Localization
- Merchandizing
- Reporting

**WCM**
- Content Services
- Rich Media Management
- Social Communities
- A/B Testing
- Email Marketing
- Authoring Tools
- Workflow & Approval
- Web Analytics

**eCommerce**
- Cart/Checkout
- Catalog/PIM
- Pricing
- Payments/Tax/Fraud
- Promotions/Coupons
- Customer Account Management
- Fulfillment
- Inventory
- Order Management
- Customer Service

**Back Office Features**
B2B firms are showing an increased interest in SaaS

“What are your firm’s plans to use software-as-a-service (SaaS) to complement or replace your existing commerce software?”

Don’t know /does not apply
5%

Already replaced most/all with SaaS
14%

Plan to replace most/all with SaaS within 2 years
18%

Using some SaaS to complement
28%

Plan to complement with some SaaS within 2 years
13%

No plans to use SaaS
22%

32% of firms have already or plans to move to a SaaS eCommerce environment within 2 years.

Base: 439 North American and European retail, wholesale and manufacturing software decision-makers (20+ employees)

Source: Forrester’s Business Technographics Global Software Survey, 2014
The benefits of SaaS for B2B commerce

“How important were the following benefits in your firm’s decision to use SaaS?”

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Importance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved business agility</td>
<td>71%</td>
</tr>
<tr>
<td>Speed of implementation and deployment</td>
<td>68%</td>
</tr>
<tr>
<td>Quickly delivers new functionality not available in a traditional packaged software</td>
<td>66%</td>
</tr>
<tr>
<td>Allows us to focus resources on more important projects</td>
<td>66%</td>
</tr>
<tr>
<td>Support business innovation with delivery of new capabilities</td>
<td>64%</td>
</tr>
<tr>
<td>Lower overall costs</td>
<td>63%</td>
</tr>
<tr>
<td>Ability to replace upfront capital spending with monthly operating expense payments</td>
<td>59%</td>
</tr>
</tbody>
</table>

Source: Forrester’s Business Technographics Global Software Survey, 2014

- Merchandisers are in the driving seat – no operational dependencies on IT
- Faster rollout in international markets
- Regular, vendor led “Push” upgrades
- IT can focus on our ERP upgrade
- Marketplace of “plug and play” extensions
- Simpler TCO – no ‘hidden’ internal costs
- Business can proceed without needing IT CAPEX project funding
B2B eCommerce is an extension of B2C

- eProcurement
- Guided selling
- Order entry & requisitions
- Organization hierarchies
- Dealer management
- Contract management
- Budget/spend management
- Configure/Price/Quote (CPQ)
- ERP Integration
- Contract pricing
- Approvals workflow
- Policy management
Many firms are consolidating their B2B and D2C technologies
Thank you

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