TRENDS AND BEST PRACTICES IN DIGITAL B2B COMMERCE

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The B2B sales area is pointing towards a more digital future. Strong digital B2B actors have started to invest heavily in digital development as B2B companies turning their sales into digital has proven to give many advantages.

The global COVID-19 pandemic has been a trigger for B2B companies to move into a more digital future as the future of retail has changed. B2B companies in the design industry has particularly been impacted by the COVID-19 pandemic as physical fairs and showrooms were closed which made it almost impossible for B2B companies to show collections and products for buyers. The circumstances during the COVID-19 pandemic made it difficult for sales staff to meet their buyers and agents in the physical space which also have pressured B2B actors to rethink their sales by moving them into a virtual and digital space. The B2B consumer behavior also changed which has yet been another factor in reshaping the future of B2B sales in the design industry. This pressure has led B2B actors to experiment with various forms of digital technologies to obtain creativity and to reduce returns.

This report will unfold the best practices and trends in the digital B2B commerce area within the design industry. These best practices and trends hold certain digital technologies that B2B actors have started to seize or are digital technologies that have started trending in the design industry and that B2B actors should start seizing. The aim with this report is to identify current hotspots and future trends within digital B2B commerce and to unfold which trends and best practices B2B actors should look out for. Lastly, the report will present six success factors that B2B actors must adopt in order to achieve B2B commercial excellence.
OVERVIEW OF HOTSPOTS

Digital B2B commerce

Best practices

B2B commercial excellence

B2B value chains

Digital self-service tools

Chatbots

3D models

Virtual Reality

B2C purchasing experiences

Customer success

Virtual showroom

Drones

VR headset

Reliability (personal context)

Seamless cross-channel

Information and inspiration

Complexity

Cloud Computing

Microservices

API’s (synchronization)

Big Data Analytics

Third-party integration

Blockchain

E-commerce platforms

Focus on customer needs and trends

Small product developments

Continuous design cycles

Personalization

Ease of use

IoT

Voice commerce

Mobile commerce

B2B ordering platforms

Smart factories and smart networks

ERP

Third-party integration

CTI

Customer relationship

Commerce

Technology

Innovation

Digital humans

Artificial Reality

Mixed Reality

Augmented Reality

Digital Avatars

Engagement

Smartphone

Mobile Wallet
According to the consultancy McKinsey & Company, the COVID-19 pandemic has changed B2B buyers and sellers preferred way of interacting from physical into remote or digital self-service ways of interacting. Digital self-service tools include technologies such as VR headset, virtual showrooms, 3D modelling, chatbots, drones, mobile apps and voice search. Nonetheless, consumers have certain preferences for use of digital self-service tools. It has been proven that technologies such as virtual reality and artificial reality are the preferred forms of interaction for consumers in digital environments.

VR headsets and virtual showrooms have after the COVID-19 pandemic been a major technology trend that many B2B actors and design brands have started adopting. Virtual showrooms are interactive showrooms that with help of virtual reality can introduce customers to a virtual 3D product experience. The fashion industry has during the COVID-19 pandemic taken advantage of the situation and has to a large extent started to build virtual showrooms to be able to visualize and present their products to their customers, sales staff and resellers as the COVID-19 pandemic has made it almost impossible to present products physically. One example is GANNI, a Danish fashion brand which in six weeks after COVID-19 broke out, managed to build a digital showroom for their B2B buyers.
United Textile Group

United Textile Group (UTG) is a Danish private label factory that produces women, men and kids’ jersey garment for online B2B customers. United Textile Group’s vision is to reduce the number of physical samples by using 3D technology in their production processes. As the company was founded in 1968, 3D technology has not always been used in their samples and production processes. Before deciding to shift towards 3D designs in 2019, United Textile Group produced physical samples which was a laborious and highly resource-intensive process as one sample life cycle process could take weeks to finish. This process was also not sustainable as each time one correction needed to be made, a new sample had to be sewn. Today, United Textile Group can produce 3D samples without putting samples into production before the final corrections are made. Many of their customers have seized this way of creating samples and see the benefits of 3D designs, but United Textile Group acknowledge that it was not something that excited their customers at first.

Industry experience and tendencies show that best practices in building virtual showrooms are to create custom made content, show details of material and texture, incorporate articles, photos, production, DNA and brand history and add fun digital components for the buyers to try out to make it an engaging value-adding experience. Virtual showrooms should be activated, and collections and products should be uniquely staged so customers can engage with the brand. Consumers expect personal and entertaining experiences in the interaction with sellers and with virtual showrooms, B2B suppliers can create content-led experiences and provide dimensions of entertainment and engagement for their customers.
3D modeling is also a digital technology that has been gaining attention as a digital self-service tool and many design brands and companies have already started to adopt this technology. Many design brands both in the fashion and furniture industry have created 3D designs and 3D assets as a way to present designs and garments before they go into production. Danish fashion brands such as Stine Goya and Hummel have adopted this type of virtual production and today uses 3D designs in many of their supply chain processes. Similarly, Danish furniture brands such as Carl Hansen & Søn and Kvadrat have also adopted 3D designs and built 3D libraries for B2B buyers.

Chatbots is also a trending technology which more design brands from the fashion and furniture industry are starting to seize. Chatbots is an artificial intelligence-driven customer service technology that enables productive interactions with customers and clients without any human interaction. Chatbots can be characterized as digital robots which creates the illusion of a personal dialog with the purpose to solve customers’ issue. Incorporating chatbots can enable more customer engagement with the brand and the customer can experience a larger affiliation with the brand. International luxury fashion brands such as Burberry and Tommy Hilfiger have for years utilized this technology and Scandinavian brands, such as H&M, have also started to integrate bots in their customer service.
As consumers expectations have changed, the interactions between supplier and buyer has changed as well. Today, consumers prefer to engage with their suppliers through digital humans either by text, speech or gestures. Digital humans are also gaining increased attention and is a technology trend that many B2B digital leaders in the design industry have started to seize in customer relations. Digital humans are human-like bots created by virtual technologies or artificial intelligence-powered technologies with the purpose to increase human interaction in digital environments.

### Digital Humans in NŪ

NŪ is a Danish women’s fashion brand introduced in 1997 with a vision to create luxurious qualitative fashion. NŪ launches six collections each year that are sold in Europe, Scandinavia, Canada, USA and in Australia. When the global COVID-19 pandemic broke out, NŪ had to rethink their way of meeting resellers to show off new collections when physical presence at the time almost was impossible. The company decided to build a virtual showroom with technologies such as 3D, 360 videos and virtual reality and today, the company uses the virtual showroom as a sales tool for presenting and selling collections to B2B buyers. With the virtual showroom, NŪ is able to digitally present collections and samples of styles rather than physically presenting samples and new designs. By designing and presenting styles and samples in 3D, the styles have already been created digitally which actively can be used for branding and marketing before the samples of styles actually goes into production. To make the virtual showroom more personalized, NŪ also created custom made digital avatars of their employees which have been integrated into the virtual showroom with the purpose to more easily establish a personal relation with the buyers.
Many B2B actors have already started to adopt these technologies as alternative digital ways of interacting with their buyers. Virtual showrooms and 3D designs are the technologies that have been most commonly used and are B2B suppliers preferred way of creating interactive channels to their customers without physical human interaction. Seizing these technologies comes with many advantages as it can enable B2B suppliers to present products in a unique way. Without physical interactions, B2B suppliers can still create lifelike human conversations and interactions with their buyers by using photorealistic 3D human models. For example, by utilizing AI-powered digital avatars, B2B actors can create custom made models which comes in many different poses, positions, trimmings, age and genders and can easily be designed according to clients need. Using AI-powered digital avatars can enable B2B actors to reflect their brand by visualizing a representative model of their garments and it can enable personalized shopping experiences for their customers.
MOBILE TOUCHPOINTS

Mobile commerce and mobile touchpoints are a trend that will be expanding in 2021. According to the consultancy IMPACT, 2021 holds many mobile commerce trends that B2B actors should look out for. Mobile commerce includes the buying and selling of products and services with the help of - or entirely through - smartphones. The global COVID-19 pandemic has changed consumers shopping habits and has particularly capitulated the mobile commerce trends.

As an ecommerce owner it will no longer be sufficient to have a mobile-friendly and mobile-optimized e-commerce site. Consumers are starting to use mobile shopping apps and instead of using an Internet browser to search and purchase products, consumers have already started to use mobile shopping apps more and more. All mobile e-commerce trends are pointing towards this direction and building a mobile shopping app is the largest mobile commerce trend that e-commerce owners should keep an eye on.

Zliide

Zliide is a Danish Company founded in 2016 with the aim to reinvent the fashion retail industry. Zliide believes that convenience in checkout and delivery will drive the next revolution in physical fashion and therefore, the company build a single mobile platform with two purposes: faster checkout for customers in a physical retail store or instant delivery of products from a courier. Zliide has created a digital security tag that can replace current tags on items in-store and with a Zliide tag, customers can with one click interact and display all information of an item on their mobile phone. The customers are also able to pay for the items through their mobile phone wherever they are in a physical store and when they have paid, the tag will automatically unlock, and the customers can remove it from the item. When the customer leaves a physical store, they can still see all the items and live inventory from the store displayed on their mobile phone which enables direct purchasing and delivery. With Zliide, physical retailers can still achieve some of the same advantages as e-commerce owners, as the digital security tag collects in-store data on products and customers.
Other mobile e-commerce trends that are trending are mobile wallets, virtual and augmented reality and voice shopping. Consumers have started to use mobile wallets, such as Apple Pay, Google Pay, MobilePay at checkout in mobile shopping apps. Mobile payments offer easier, faster and more secure payments for consumers and as such, consumers choose this type of payment in mobile shopping apps. Artificial and virtual technologies reality can give the consumer a more detailed illustration of how a product can fit into their homes and lives. These technologies can also be used to identify customers body measurements and based on these, recommend a perfect fit. Artificial and virtual technologies are some of the most pervasive technology trends in the mobile commerce area that B2B actors should also start seizing.

73% OF GLOBAL E-COMMERCE WILL COME THROUGH MOBILE DEVICES BY THE END OF 2021

49% OF PURCHASES HAPPEN THROUGH A MOBILE DEVICE

51% WILL USE VOICE COMMANDS TO RESEARCH PRODUCTS

22% WILL USE VOICE SEARCH TO FINISH A PURCHASE
Voice shopping is also a mobile commerce trend in 2021 to look out for, but it is something that has been overlooked by e-commerce owners. All consumers with a mobile device have a voice search assistance integrated which makes voice shopping one of the profound mobile commerce trends in 2021.

Adopting mobile commerce trend will in 2021 be crucial in order to remain competitive and to deliver customer experiences that meet the customers’ requirements and expectations. As such, e-commerce owners should start seizing and adopt some of the mobile commerce trends.
Building smart factories and smart networks is gaining ground in the world of Industry 4.0 and the idea of smart factories and smart networks is to have interconnected and intelligent manufacturing. Smart factories are derived from Industrial Internet of Things (IIoT), which is a technology that is applied to whole enterprises, like manufacturing, services or retail businesses. IIoT does not only entail a machine-to-machine communication, but it can also bridge the gap between physical and digital assets within a factory and can reduce human-to-machine cooperation by introducing smart automation and machine learning.

A smart factory is a place where IIoT has fully automized production and created intelligent networks of systems that can be managed with the exchange of data between production machines and elements in the production technology chain. Smart manufacturing is already bursting into the consciousness of corporations and according to the International Data Corporation (IDC), the global spending on Internet of Things in 2020 was projected to $840 billions where a huge part was introduced in the manufacturing industry.
Adopting smart factories, can provide many advantages for manufacturers such as more efficient operations, efficient logistics and it can bring more savings as production processes can be operated almost without any human supervision. Having an integrated system connecting smart factories and smart networks can for design brands also bring back design at the core and with connected factories, networks and product spheres, companies can achieve benefits such as continuous design cycles, small product developments and a larger focus on customer needs and trends.
The last years, B2B actors have started to design IT architectures that can handle complex customer relations which have disrupted traditional B2B value chains. Trends fueled by digital technologies are changing customers perception of B2B purchasing processes which has pressured B2B actors to change the traditional value chains.

By utilizing digital technologies, B2B actors can work easier across traditional boundaries and it can lead to leapfrogging of entire links in the value chain. Customers expect that manufacturers, wholesalers and new entrants are able to leapfrog the traditional value-chain boundaries and the most common way of doing this is by utilizing e-commerce capabilities to establish direct distribution channels with B2B customers. B2B customers do not need a middleman as a matchmaker between the supply and demand and by establishing digital direct distribution channels, middlemen can be avoided. With direct distribution channels, suppliers can provide its products digitally anywhere to the B2B customer as the geographic and national barriers become less relevant.

**furnipart**

furnipart is a Danish design company that manufactures and supplies knobs and handles for kitchens, bathrooms and furniture cabinets and drawers. For many years, the company struggled with a poor technical infrastructure that was manually programmed in an outdated system which only one employee within the organization knew how to maintain. As such, furnipart decided to develop a technical infrastructure that was more linked together. First, the company integrated a product information management (PIM) system with their existing ERP system and implemented a new customer relationship management (CRM) system. In June 2021, the company launched a digital B2B ordering platform that could handle their complex B2B relations and that could save human resources. Before launching a B2B ordering platform, the company manually handled every order from their B2B customers in Excel sheets and through phone calls. This was highly resource intensive for the company and took up a lot of time which made it difficult for furnipart to develop other parts of the organization. As the B2B ordering platform just recently launched the company has not yet experienced the benefits the platform can give them, but the company expect that it can save them many resources.
There is also an increasing demand from B2B customers to wholesalers and suppliers that they integrate seamless cross-channels. B2B customers want to be able to research products, transact businesses and interact with various suppliers using a channel of their choice either through mobile phones, websites, mobile apps or branch networks. Integrating seamless cross-channels can give customers more flexible procurement options and other more specific value-adding services such as location-based services, information and product details and much more.

B2B customers are also increasingly demanding B2B suppliers and manufacturers the ability to accelerate the integration and automation of processes and systems. Digital supply-chain processes can give B2B customers better control over the inventory and having digital supply-chain processes can help B2B customers identify areas for cost reduction. If suppliers and manufacturers easily can integrate and automate processes and systems, it can be valuable for their customers and it can also benefit B2B wholesalers and suppliers as it can be difficult for the customers to change suppliers.
B2B COMMERCIAL EXCELLENCE

Each hotspot has revealed that there are many technologies, trends and best practices to look out for and they revealed that B2B actors should start seizing some of these to get ahead of competition to reshape the B2B market and to move into a digital future.

The consultancy IMPACT has identified and summarized six success factors that B2B actors must adopt in order to lead digital success and to achieve B2B commercial excellence. The first success factor emphasize that it has to be easy for customers to navigate and find information on a webpage. Second, digital B2B actors should have a seamless cross-channel where customers can serve themselves and where the CRM integration must function properly. Third, digital B2B actors must establish strong relations to their customers by creating personal content and have an active presence on social media. Fourth, digital B2B actors must adopt B2C purchasing experiences to make purchasing experiences for buyers more personal and user friendly. Fifth, the IT architecture should be able to handle complex customer relations with individual prices and discounts, various demands of documentation and products across many different locations, currencies, units of measures and languages. Lastly, to initiate digital sales, B2B actors should create personal purchasing experiences which require 360-degree customer information across different channels, both online and offline as well as using AI-based recommendations.
However, none of these success factors can be achieved if B2B companies are not able to commit to digitalization at a strategic level and develop strategies to pursue or combat leapfrogging. Furthermore, B2B companies must also establish organizational structures and metrics that can support future digital aspirations and innovations.

SIX SUCCESS FACTORS

1. Easy navigation of information for customers on websites
2. Seamless cross-channels for customer self-service and CRM integration
3. Create personal content and have an active presence on social media
4. Adopt B2C purchasing experiences
5. Have an IT architecture that can handle complex customer relations
6. Personal purchasing experiences with 360-degree customer information and AI-based recommendations
REFERENCES


APPENDIX - A NOTE ON THE RESEARCH

To create awareness of the project and the digital B2B commerce track, a webinar was conducted to find and recruit companies from the Danish design industry. Four companies from the Danish design industry were recruited to become a case company in the digital B2B commerce track. All four companies have certain experience with digital technologies in the B2B area and represent an example of a B2B actor that has managed to adopt B2B best practices.

The case companies have been interviewed on the best practices they have adopted within B2B digitalization and on what they perceive as the next practices within the area. These interviews have contributed to the content of this report and contributed with uncovering best practices in the digital B2B commerce area within the Danish design industry.

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Produce</th>
<th>B2B Digitalization</th>
</tr>
</thead>
<tbody>
<tr>
<td>furnipart</td>
<td>Manufacturing</td>
<td>Knobs and handles for kitchens, bathrooms and furniture</td>
<td>B2B ordering platform</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Virtual showroom</td>
</tr>
<tr>
<td>by Green Cotton</td>
<td>Fashion</td>
<td>Children's clothing</td>
<td>B2B ordering platform</td>
</tr>
<tr>
<td>United Textile Group</td>
<td>Textile and Fashion</td>
<td>Jersey textile and styles</td>
<td>3D designs</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Digital Avatars</td>
</tr>
<tr>
<td>Carl Hansen &amp; Søn</td>
<td>Furniture</td>
<td>Furniture</td>
<td>3D library</td>
</tr>
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<td>B2B ordering platform</td>
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furnipart is a Danish design company founded in 1977 that manufactures and supplies knobs and handles for kitchens, bathrooms and furniture cabinets and drawers. The company ship almost 100,000 handles and profiles daily from their warehouse to their customers coming from 60 different countries in the world and with their Scandinavian design roots, their products have an international outlook and international reach. furnipart sell their products both B2C and B2B, but B2B customers are the company’s major focus.

Two years ago, furnipart started a journey of developing a technical infrastructure that could handle their complex customer relations. First step in this journey was to integrate a product information management (PIM) system into their existing ERP system and to implement a customer relationship management (CRM) system into their IT infrastructure. The company was struggling with an outdated IT infrastructure that made their workflows slow. Systems and information were internally separated, and their homepage system was manually programmed in an outdated system, which only one person in the company could maintain. The idea was to create a platform where marketing data, pictures, text and information from the ERP system could be connected and automatically linked to their homepage system. As such, furnipart decided to integrate a PIM and CRM system that could centralize information but also enable new functionalities such as the ability to choose multiple languages for their homepage and have better search- and filter systems. Integrating the PIM and CRM system also had another purpose as it could prepare the company to build a webshop at a later stage.
The last step in updating their technical infrastructure led to the development of an ordering platform for their smaller B2B clients and customers. The company only recently, in June 2021, launched a B2B ordering platform to move their B2B clients and customers into an online and digital platform to save and release resources on the manual customer service. Before the launch of the B2B ordering platform, the company manually handled every order in Excel sheets both from smaller and larger B2B customers. Due to lack of resources, it was no longer possible for furnipart to handle each and every customer manually by calling them and placing orders in Excel sheets, which is the reason why the company decided to move smaller customers into a B2B ordering platform. However, the company will continue with handling larger B2B customers manually for strategic reasons.

During COVID-19, furnipart also decided to delete their existing, but outdated, virtual showroom and replace it with a new one which were more “modern” and could provide better photorealistic pictures of their products. Today, the virtual showroom is used on different levels - by distributors, sales staff and customers - to show and visualize their goods. The company also have future strategic thoughts with the virtual showroom as they imagine integrating the virtual showroom into their web shop so clients and customers directly can add products from the virtual showroom into a shopping basket.
**BY GREEN COTTON**

by Green Cotton is a web shop that sells organic baby and children’s clothing under the concept of Green Cotton Group. The Danish private label company, Green Cotton Group, was founded in 1983 and is a manufacturer of sustainable baby, children’s, ladies and men’s clothing. The company holds all development and sourcing in-house which includes design, sales, production and sourcing of people.

by Green Cotton have their own web shop where online customers directly can purchase their own brands and products, but they also have a wholesale division department that are responsible for the contract market (B2B) where they sell their brands to over 400 B2B online and physical resellers worldwide. Because of their many B2B customers, by Green Cotton decided to invest in a B2B ordering platform for their smaller B2B customers to process orders faster and more efficient. Previously, orders from their B2B customers were handled manually with phone calls, Excel sheets and with physical presence which by Green Cotton and their internal wholesale division department spent many resources on.

The B2B ordering platform is intended towards their smaller B2B customers, as their largest B2B customers will be handled manually as a service to their largest customers. by Green Cotton’s B2B ordering platform is integrated with their ERP system so valuable information always is visible for their customers. Several functionalities in the B2B ordering platform has eased and made many workflows more efficient for by Green Cotton, but the most notable according to by Green Cotton are customers’ ability to see a live view of their stock, the ability to search and filter products and collections, the ability to choose between languages and currencies and the ability to present tailored statistics to their B2B customers representing for example splits and measurements in their products.
For by Green Cotton, it was important to create and design a B2B ordering platform that was intuitive and customer friendly, but that also could look like a B2C purchasing experience. Creating a B2B ordering platform similar to a B2C purchasing experience seemed natural for the company as this way of online purchasing is something a regular consumer know how to navigate and quickly can adapt to.

Currently, the company does not have plans of adopting other forms of digital technologies. However, the company is observing latest digital trends in the industry and is particularly observing other companies use of 3D and virtual showrooms. According to by Green Cotton, the technologies are still not mature enough to use for them, but they imagine themselves adopting the technologies in the long run when the technology and the market is mature enough.
UNITED TEXTILE GROUP

United Textile Group (UTG) is a Danish private label factory founded in 1968. UTG has their own production facilities where they are producing women, men and kids’ jersey garments with greater focus on women’s wear to online B2B customers. UTG makes all samples of their garments by using 3D technology and their vision is to reduce the number of physical samples by using 3D technology in their production processes.

Each sample in UTG has its own life cycle which in 2019 were digitalized with the use of 3D technologies. However, the sample life cycle has not always been digital in UTG as the samples previously have been produced physically. Before 3D, sample workflows were similar to other manufacturing companies in the industry where a drawing of the garment would be made followed by a sewed sample that then was sent out to the customer. These workflows were comprehensive because if something had to be corrected in the design, UTG would need to start over again by producing a new sample. This process could take weeks and to make the workflows and processes faster, UTG decided to use 3D technologies to design samples. With 3D design, UTG are able to meet customers’ requirements by designing faster and better, but it also prevents them to make mistakes which quickly can be corrected in 3D before the first sample is sewn.
With 3D technologies, UTG can manipulate photos by choosing different colors, sizes, prints, ages, shapes and qualities. UTG uses virtual models or virtual “avatars”, that are custom made and can be used to present the garments. The custom-made avatars come in different poses, positions, trimmings, age and genders to present samples to their customers. UTG recognize that using 3D to produce and create samples was, at first, not something that excited UTG’s online B2B customers and it was a challenge to convince their customers to adopt 3D in their workflows. However today, the majority of their customers have adopted this way of receiving samples as it makes the process more flexible and cost reducing.

UTG also acknowledge that the global COVID-19 pandemic has changed customer behavior and customer demands. Some of their customers have already switched 100% to 3D samples compared to pre the COVID-19 pandemic. The pandemic has changed the industry and has almost made it impossible for design brands to host physical photoshoots and made production and delivery lead times longer than pre COVID-19. This has led to reactions from UTG’s customers which requested 3D images as replacements of physical photoshoots and physical showrooms.
Carl Hansen & Søn was founded in 1908 and is a Danish family-owned business which today is managed by the third generation of the Hansen family with headquarters and factory located in Denmark. Carl Hansen & Søn is a high-end furniture manufacturing company and is the company behind many classical Danish furniture designs, such as the Egg chair, the Y-chair, the Wegner-chair and many more which has been designed by leading figures of the Danish design movement through time. Through the years, the company has maintained a focus on preserving Danish design classics while continuing to expand the company’s collection worldwide to represent influential new designers.

The company sell products through their online website and through physical and online resellers worldwide. Carl Hansen & Søn has emphasized a large focus on the contract market (B2B), but today the company also have direct sales channels to customers (B2C). The management team in Carl Hansen & Søn has been hesitant towards digital technologies but the company has slowly started to acknowledge different forms of digitalization and has started experimenting with various forms of digital technologies, particularly in e-commerce and the contract market (B2B) area. The company decided to invest in a VR headset to be used by their sales staff and has invested in a 3D library with primary use towards B2B customers.