

## Digital Business

Strategies and insights to keep up with  
the modern customer



99%

of B2B buyers claim they will make a purchase in an end-to-end digital self-serve model, even when spending \$50,000 or more on e-commerce websites.





# Is your team ready for the massive changes in buyer behavior?

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In today's world, retailers must respond to the fundamental changes in purchasing behaviors and transform their ecosystems to meet new purchasing demands.

The heightened preference for buying online means that corporate sellers must focus on e-commerce services and buyer experiences more than ever before.

At a minimum, companies should assess their current capabilities end-to-end and determine where internal or external changes are needed.

Developing an easy-to-navigate platform with seamless payment options is an engagement driver and creates greater sales opportunities for organizations looking to increase their revenues.

Implementing the most effective sales platform may mean simply understanding what matters most to buyers across their interactions and outsourcing key functionalities to companies with more expertise.

Allowing partner companies to implement high-level components through the buying journey saves enterprises time and money.


With global business-to-business (B2B) e-commerce sales reaching more than \$6.6 trillion by 2020 - surpassing the business-to-consumer segment - the US alone has generated over



**\$1.2 trillion**

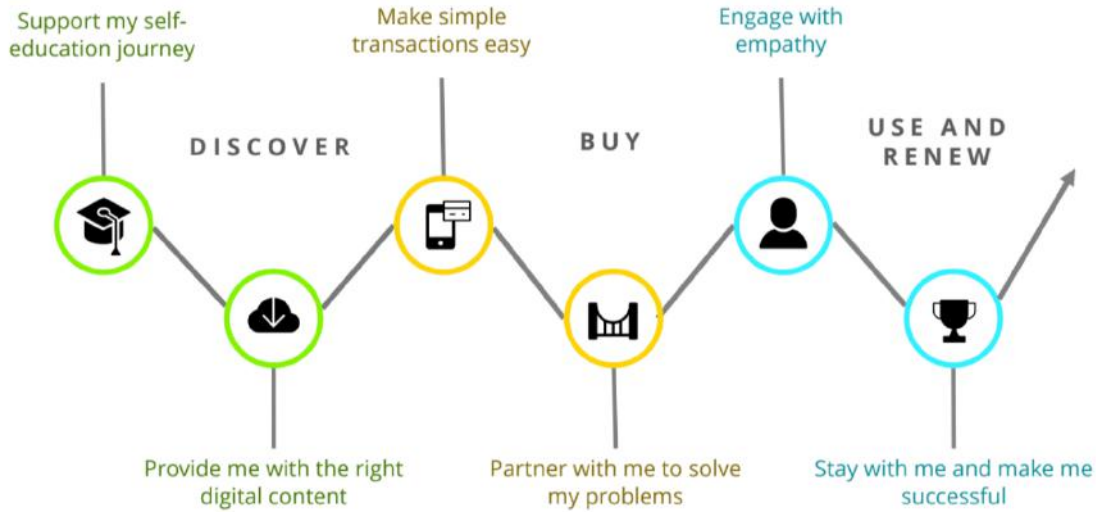
in e-commerce revenue in that time

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As B2B e-commerce becomes more self-serving for the purchaser, there are fewer face-to-face interactions involved and fewer chances for companies to demonstrate their value. To this end, B2B sellers need to compete on the purchaser experience and focus on delivering purchasing lifecycle value.

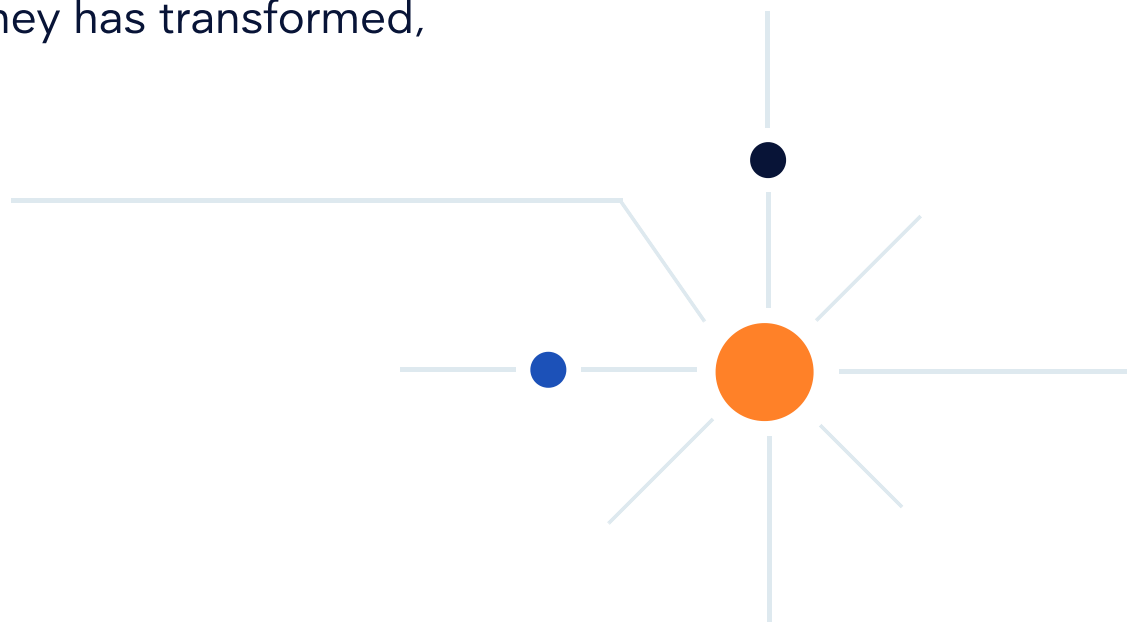
Amid the remarkable circumstances of the pandemic, the payments industry demonstrated its adaptability to serve as a co-partner for businesses, helping corporate clients to transact in real-time despite the necessity of remoteness.



Source: Deloitte

Real-time payments allow enterprises the opportunity to win, serve, and build brand loyalty with their customers by offering more efficient, secure, and engaging e-commerce buying journeys.

The onset of COVID accelerated a dramatic shift in B2B decision-maker preferences, driving a preference for remote and digital self-serve purchasing. The purchaser journey has transformed,





As the majority of B2B companies have shifted their go-to-market strategy from traditional methods to digital, the payments model is poised for a similar shift. Businesses implementing e-commerce expect to see 5 times faster revenue growth compared to previous years.

90%+



of B2B decision-makers expect the remote digital model to stick around, according to a study by McKinsey.

of B2B buyers claim they will make a purchase in an end-to-end digital self-serve model, even when spending \$50,000 or more on e-commerce websites.



99%

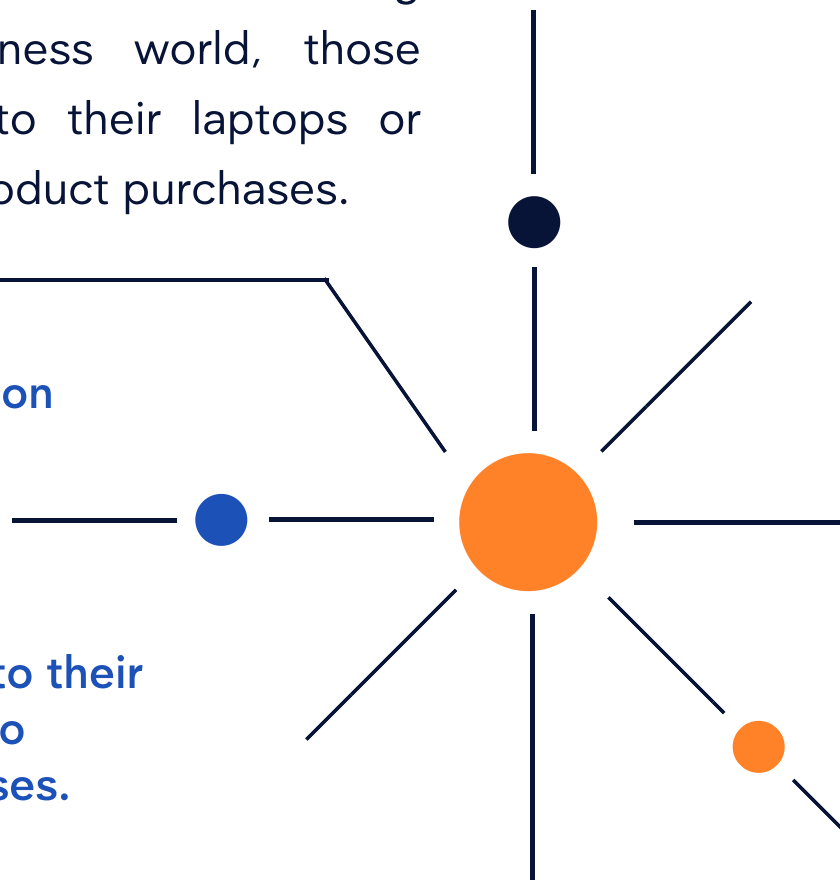


Digital natives - the millennials - identify with online search, vendors' websites, peers and colleagues as the most important sources of information when it comes to purchasing.

73% of 23 to 35-year-olds are involved in product or service purchase decision-making at their companies. As the millennial generation becomes the dominant decision-making demographic in the business world, those buyers are often turning to their laptops or smartphones to research product purchases.



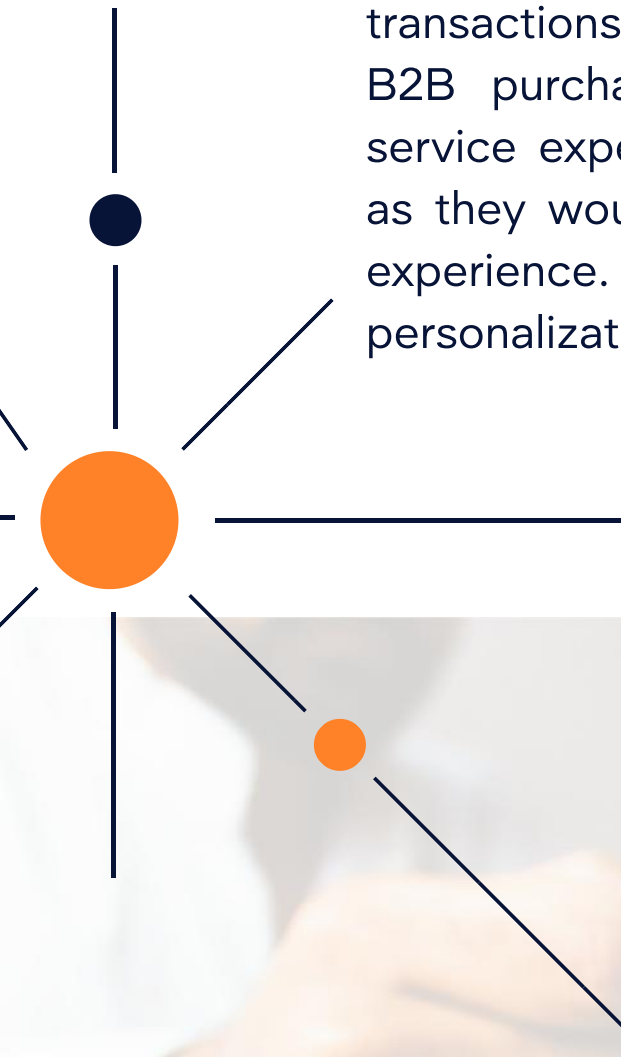
**As the millennial generation becomes the dominant decision-making demographic in the business world, those buyers are often turning to their laptops or smartphones to research product purchases.**







Rather than scheduling meetings with vendors, they are comparison shopping online and looking for the easiest ways to make smart transactions. Surveys reveal that the modern B2B purchaser expects a similar customer service experience in their B2B engagements as they would a business-to-consumer (B2C) experience. This includes the growing trend of personalization in the B2C marketplace.



Not only are millennials looking for a quality purchase, they are also looking for a quick and simplistic, self-service buying journey that saves time and makes them feel valued as consumers.





Traditional consumer banking payment platforms are facing increasingly fierce competition from nonfinancial fintech organizations including Paypal, Apple, and Square.

For B2B transactions, competition has only just begun. While there are dozens of options available to consumers wishing to make purchases online, few options exist for alternative payment in the B2B e-commerce marketplace. A connected payment platform for industry incumbents would require a reboot and rethinking about the customer experience.

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While industry incumbents scramble to modernize their organizations and infrastructures to support seamless digital payments, modern financial technology (fintech) players are digitally-native and ready to take on the global payments market.

As competition increases between established providers of open and closed payment platforms, the consumer and business preferences for a seamless user experience which drive purchase decisions will put pressure on traditional payments providers.



# 5x faster revenue growth

FOR BUSINESSES IMPLEMENTING  
E-COMMERCE COMPARED TO  
PREVIOUS YEARS

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The evolution of the global payments industry is accelerating rapidly as digital payment vehicles and transaction volumes grow around the world. The trend coincides with governments, banks, and payments service providers pushing adoption of digital payments by increasing access and lowering transaction fees. It is worthy of note that the B2B e-commerce segment has accelerated throughout the pandemic and is taking the payments industry with it. Now, 70% of companies have already launched, or plan to launch, a B2B e-commerce platform in the coming years. Surely these companies will have considered the way they will work to create a seamless sales process online. The importance of seamlessness can not be overstated as businesses implementing e-commerce expect to see 5 times faster revenue growth compared to previous years. As the majority of B2B companies have shifted their go-to-market strategy from traditional methods to digital, the payments model is poised for a similar shift.



# Mercero Can Help Your Business Leverage Technology



DIFFERENTIATING THE PURCHASE JOURNEY FOR B2B BUYERS

As traditional banks grapple with 'one-size fits all' strategy, with little differentiation for merchant size or sophistication, fintechs like Mercero can leverage technology to improve distribution channels and use integrated ecosystems of differentiated products powered by analytics.

As the distinctive and innovative fintechs increase value and provide an exceptional user experience, traditional payment offerings will stall business growth for sellers and turn off B2B purchasers.

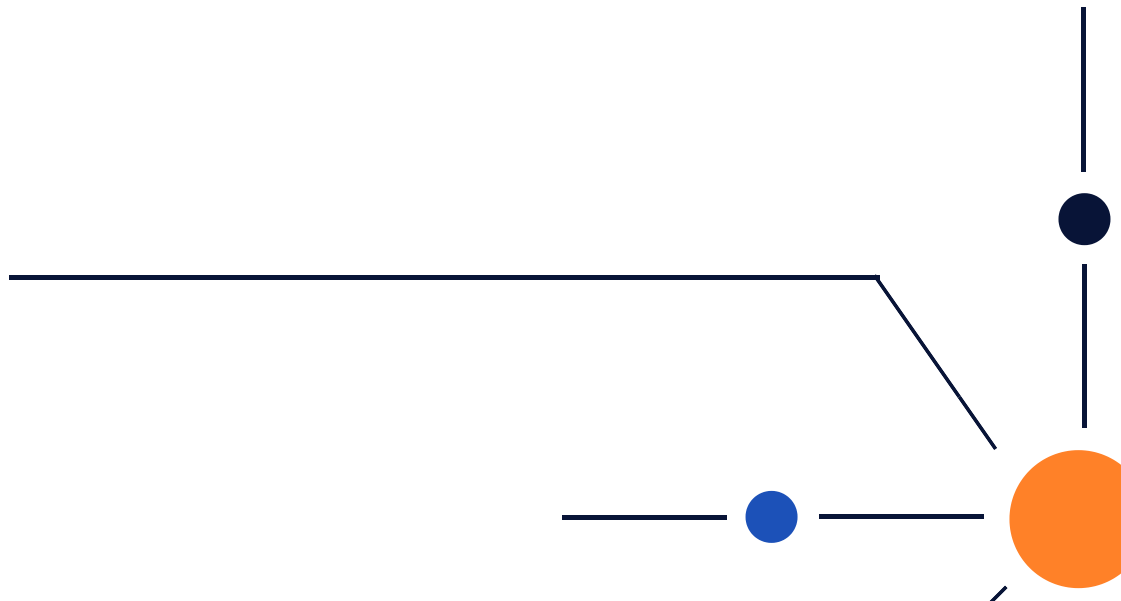




To provide customer excellence, fintechs like Mercero can use its automated, fully-digital service model for rapid onboarding of new customers while providing a simple user experience that yields post-sales data reconciliation for B2B sellers.

Nonbank platforms, like Mercero, can scale to provide supply chain financing across full industry value chains, linking into banks and nonbank financing institutions.

Harnessing established capabilities, like onboarding of suppliers' invoices and payment flexibility to service different invoice types, fintech platforms can become the go-to source for both invoicing data and financing.





The onset of **COVID** accelerated the transition from 'physical' to 'virtual' banking, with a fundamental shift in technology adoption.

**Real-time account-to-account infrastructures** became the norm and investment in usage of instant payments for e-commerce transactions grew. The restructuring of commercial commerce is notably increasing in the small- and medium-size (SME) segment.

The **digital transformation** facilitates tailored sales solutions for e-commerce buyers, and customers have shown a high willingness to pay more where sellers can demonstrate value.

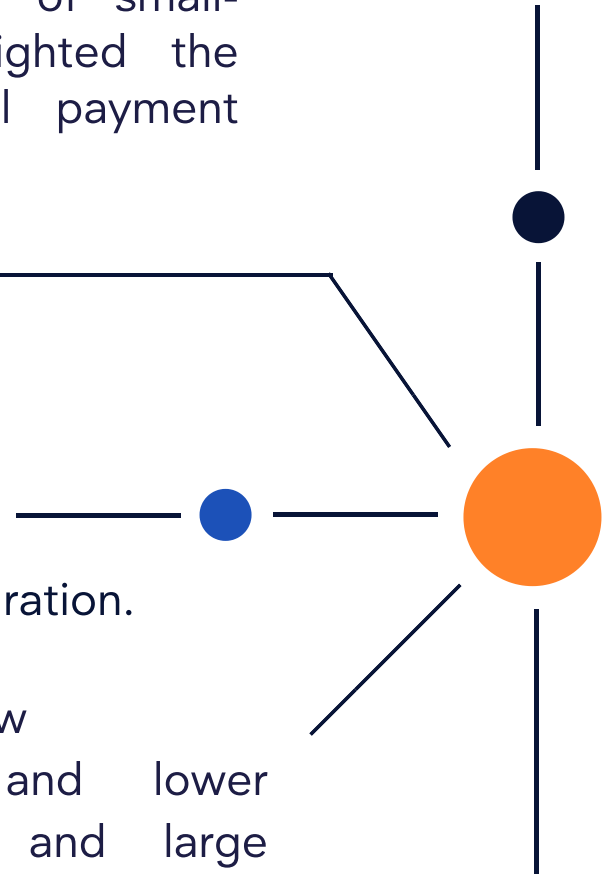




Business-to-business sellers are looking to differentiate themselves across both distribution (e.g. integrated software vendors) and delivery models (e.g. digital, point of sale). The digitization of small-business commerce has highlighted the growing need for B2B digital payment options.

In order to enhance overall cash flow management, companies are optimizing B2B payments with end-to-end transactional visibility, auditability, and data integration.

Modern merchants and retailers now expect payment assurance and lower transaction fees. Both small and large businesses are exploring the use of real-time payments to increase cash flow, reduce fraud, and provide increased value through the purchasing journey.





# Providing Businesses with What They Need Most

**57%** of SME merchants believe ease of use, including the ability to customize and a lack of application downtime, is the most important factor when choosing a payments provider.

**44%** feel that ease of setup, including a quick and straightforward setup process that does not disrupt business, is the most important factor when choosing a payments provider.

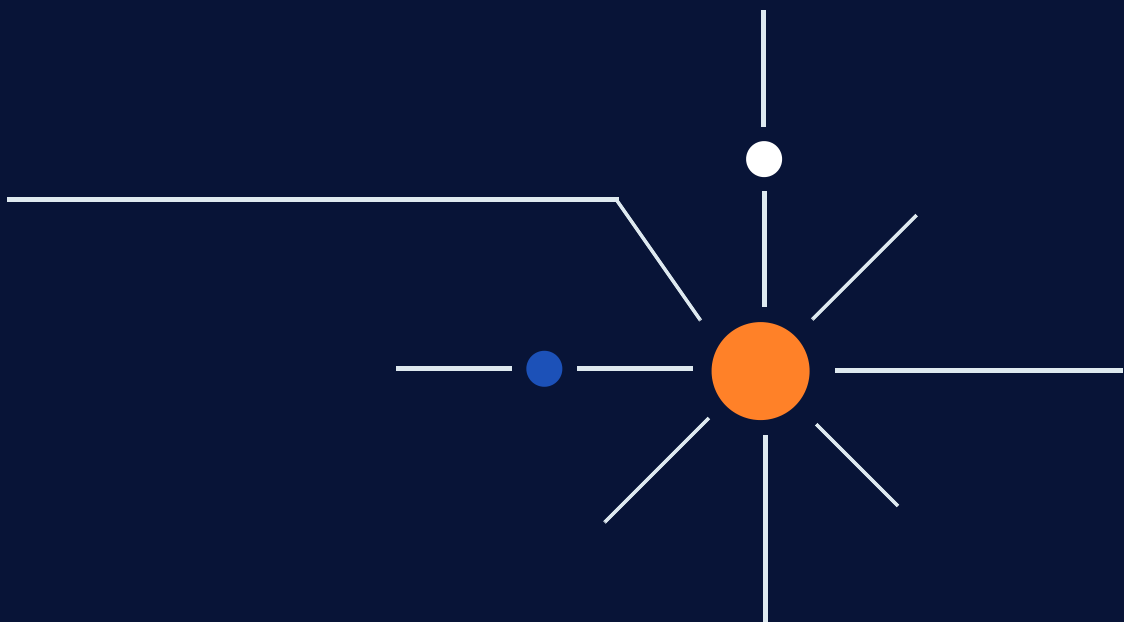
Companies can have both. Fintech PaaS providers can even offer integrated customer engagement, CRM, and tools and analytics to increase conversion rates - a win-win for SMEs looking to onboard new payments processors like Mercero.

SMEs have accounted for about  $\frac{3}{4}$  of all new revenue growth in the merchant-services space over the past three years. With sellers increasingly focused on integrated software vendors these organizations require cross-geographic, scalable strategies for expansion.





As e-commerce becomes the new norm, companies must prepare for this new way of working. While companies will be able to protect short-term revenues by reducing the number of sales representatives, they must also focus on enabling long-term profitable growth by offering higher value to buyers through improved purchasing experiences and cost efficiencies.

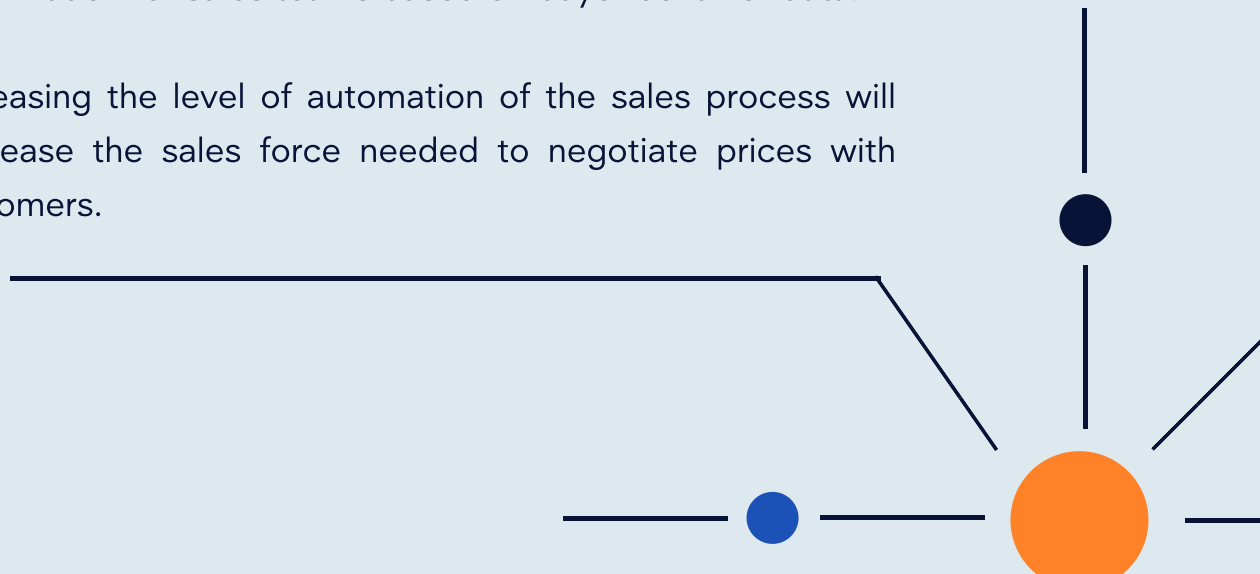


Selecting the right products for company portfolios, selecting customer segments that will benefit most from purchasing online, determining price levels, and reviewing discount policies, are only first steps in preparing for the e-commerce marketplace.



# To sell online, the right technology must be available and utilized.

- The technologies that are chosen must be part of a larger customer experience that provides flawless integration with ERP systems.
- All professional purchasers desire quick, easy and informed purchasing paths that allow them to access the products they need, when they need them.
- The look and feel of these platforms has a direct impact on sales.
- In addition to price transparency, enterprises should expect to upgrade to a full purchasing portal. The portal should offer chat functionality, contract management and storage, and automated invoices and claims reviews.
- By adding additional features to the purchasing experience, the upgrade will also deliver positive effects such as optimization for sales teams based on buyer behavior data.
- Increasing the level of automation of the sales process will decrease the sales force needed to negotiate prices with customers.



To be successful in e-commerce,  
businesses need to think bigger  
than 'selling online.'

The core question B2B sales organizations  
should answer is:

“What selling  
experience do I need  
to offer?”

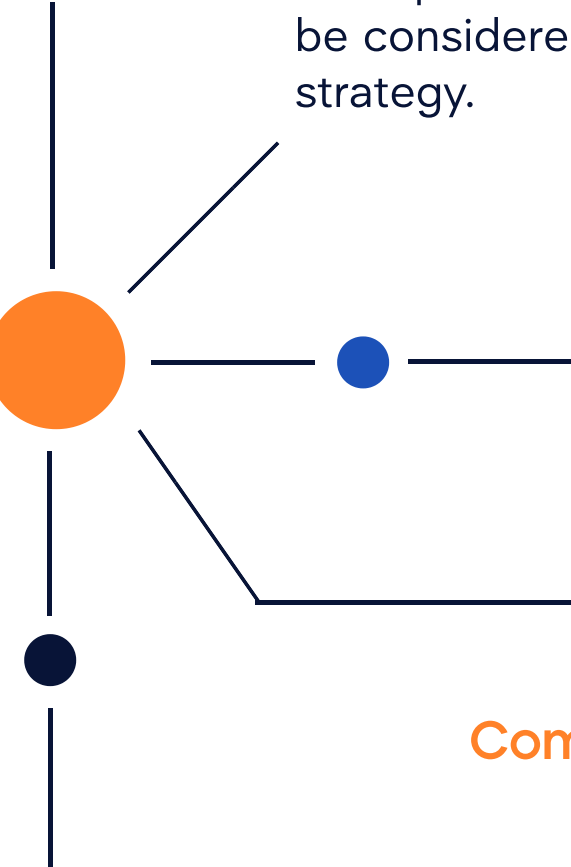


**77%** of business-to-business (B2B) buyers agree that their latest purchase was 'very complex or difficult.'

Retailers in e-commerce must now structure their sales channels in a way that provides value along the purchasing journey to build brand loyalty through superior purchaser experience to increase revenue.

Customer experience spans the entire purchasing lifecycle, penetrates the end-to-end value chain, and is just one part of a product's offering.

It is delivered throughout every customer touchpoint by multiple employees and should be considered in the design of an e-commerce strategy.

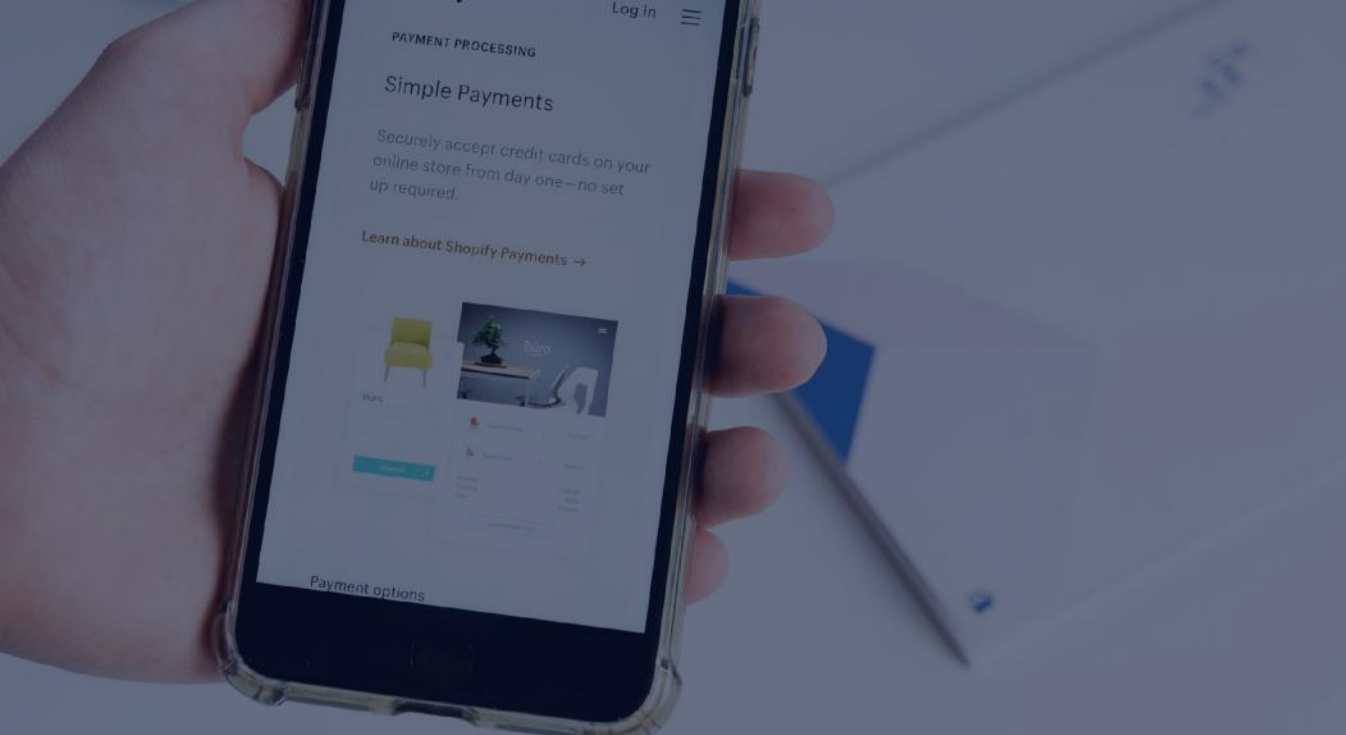


From the look and feel of a B2B sales website, to the provision of service and support, to the delivery of a product, each step takes an intimate understanding of customer needs by segment.

### Companies must understand:

- what payment types customers prefer to use
- how the company should interact with the customer during the payments process; and
- how additional value can be delivered throughout the payment cycle.



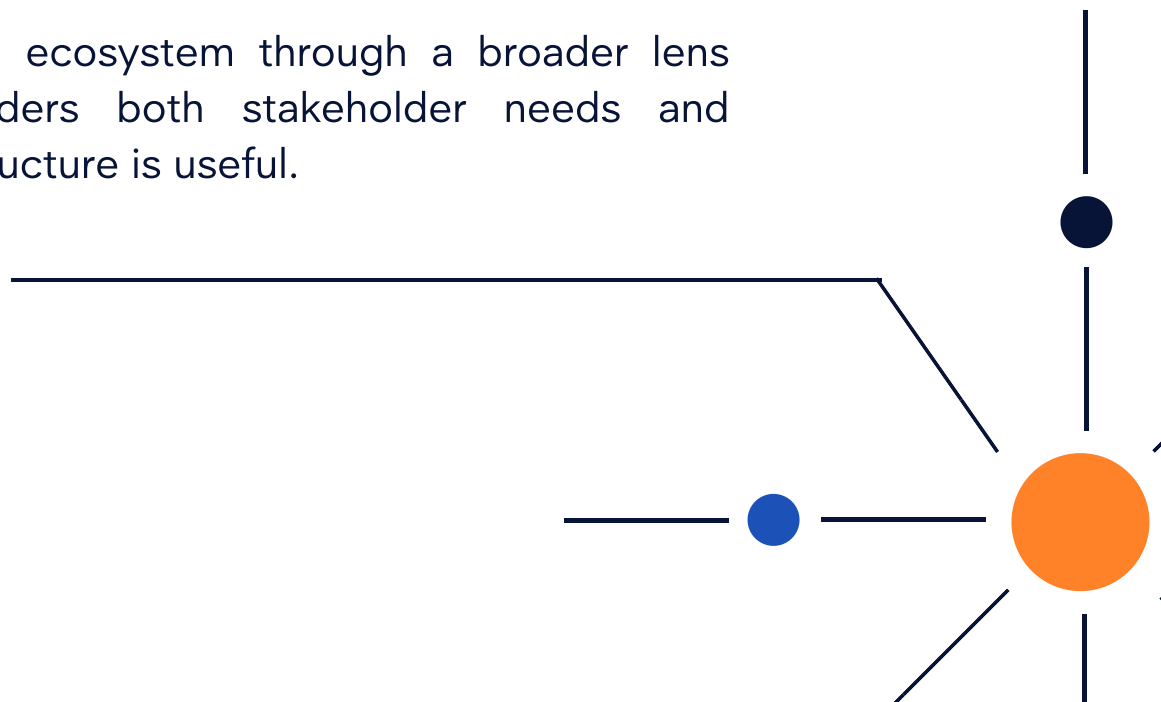


PROVIDING THE BEST B2B CUSTOMER EXPERIENCE

The strength of an organization's customer experience process lies in its ability to seamlessly integrate all platforms for the highest degree of customer experience.

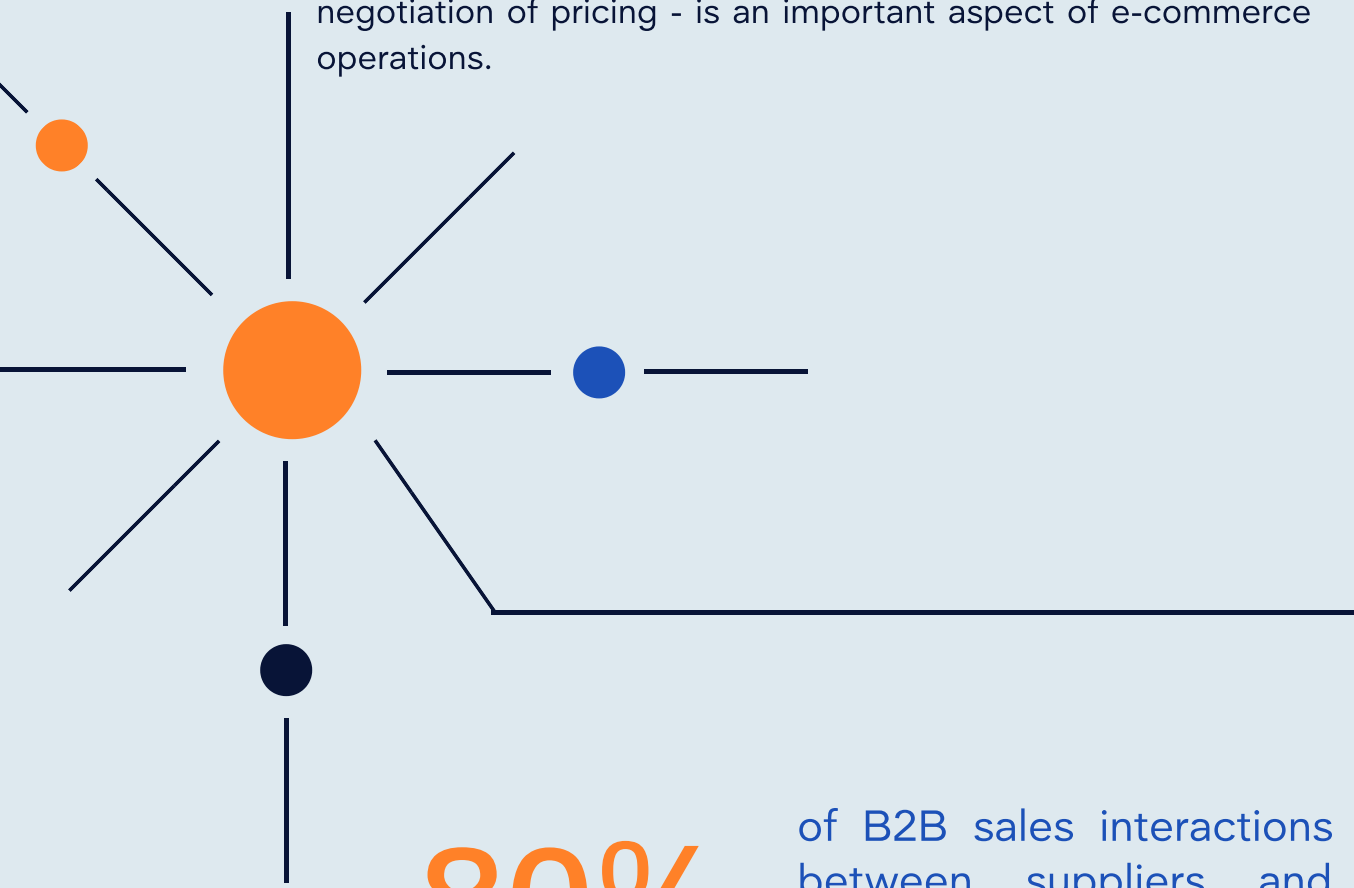
Behind the scenes there may be dozens of platforms working together, but to the customer, bringing it all together is what truly delivers value.

Viewing an ecosystem through a broader lens that considers both stakeholder needs and industry structure is useful.





B2B sellers must make targeted investments to build online capabilities that maximize the opportunity for the realization of value. By 2025, Gartner predicts that 80% of B2B sales interactions between suppliers and buyers will occur in digital channels. The first area for targeted improvement is marketing. B2B buyers are starting their purchasing journey online - researching products, comparing prices (where available), and ultimately, buying online. Companies that sell products or services but have not fully allocated resources toward implementing an e-commerce platform and strategy are missing out. As mentioned previously, decision-makers in today's businesses are digital natives, with higher expectations of digital interactions than the previous generations. The sales relationship - from the user experience (UX) of a website, to the provision of product and service information, to the negotiation of pricing - is an important aspect of e-commerce operations.



80%

of B2B sales interactions between suppliers and buyers will occur in digital channels by 2025.



75% of B2B buyers are seeking input from peers and spending more time researching

## Increasingly, purchasers want to engage with suppliers through digital and self-service channels.

A buyer may do a Google search, download a few white papers, start another Google search, and visit several supplier websites before purchasing. This means that a successful supplier website needs to have enough information for buyers to go back to their teams, discuss the options with their peers, and get recommendations for the best purchase.

By self-educating, B2B customers have made their decisions before they ever discuss options with a salesperson.



As part of the research experience, B2B customers frequently have questions about the products or services they wish to purchase.

Research has shown that today's B2B customers radically discount the perceived benefits of sellers and believe there is little distinct value of sales representatives.

An on-website chat feature may be a useful option to help deliver value to curious purchasers while toning down the aggressive sales representation of the past

Chat features aren't just for buyers - they're for sellers, too! By leveraging a provider for sales chat support, sellers can capture, qualify, and connect with leads.



# Chat features online can be an opportunity to connect with potential buyers.



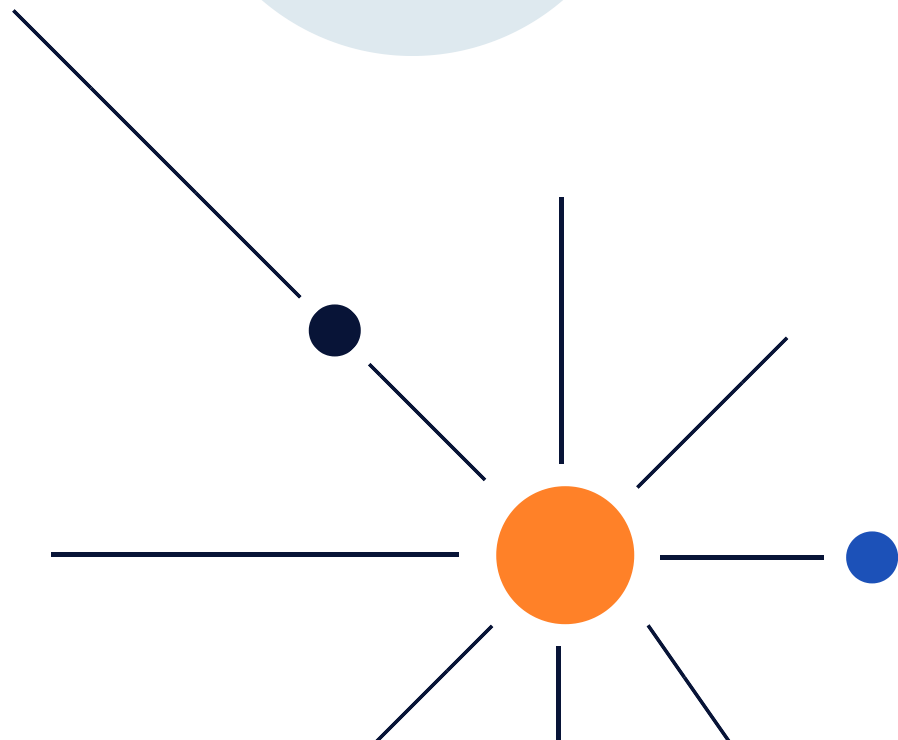
Invest in digital technology

*Equipping the sales team*

*Improving the buyer experience*

High-quality audio and video equipment

Reliable remote meeting platforms



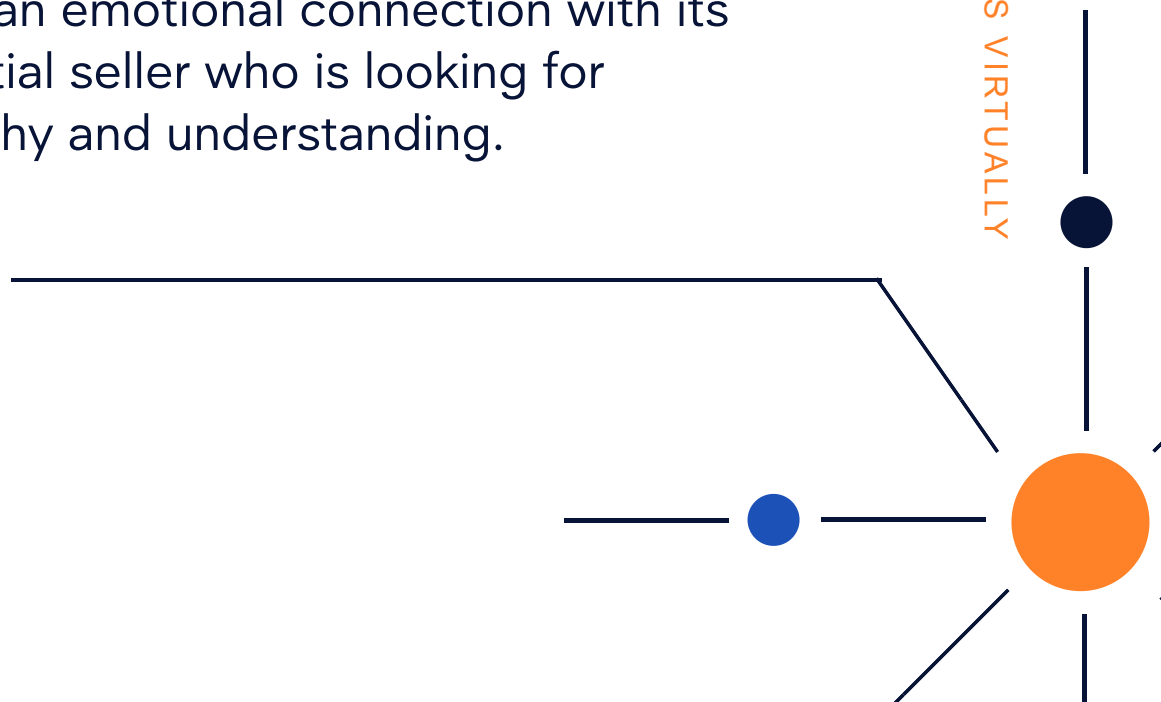


Within 5 years, there may be no separation between the sales process, applications, or data and analytics.

At that point, there may be a single concept - artificial intelligence for sales.

In order to compete, companies must stay up-to-date with their sales technology and remain flexible against competitors who may be innovating more quickly.

Virtual customer engagement gives the purchaser a unique opportunity to make an emotional connection with its potential seller who is looking for empathy and understanding.





## Pricing remains an element of concern in competitive marketplaces.

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Prices should become increasingly transparent, with a sellers-eye view toward direct and indirect competitors.

Reviewing the discounts and charges granted to customers is also an important part of pricing strategy.

Whether to include hefty delivery costs in the listed purchase price or discount large volumes should be a consideration for sellers.

Agile pricing rules, like dynamic pricing, and smart discounts and promotions will help to generate more website traffic and bring more customers into the sales pipeline.





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# 90% of B2B leaders

believe that customer experience is crucial to strategic priorities

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First impressions are very important, and no one is harder to impress than a purchaser with many online options available to them.

0.05 secs

It takes a consumer just 0.05 seconds to make an opinion about a website that determines whether they will stay or leave.

39%

of consumers will stop engaging with a website if images won't load or take too long to load.

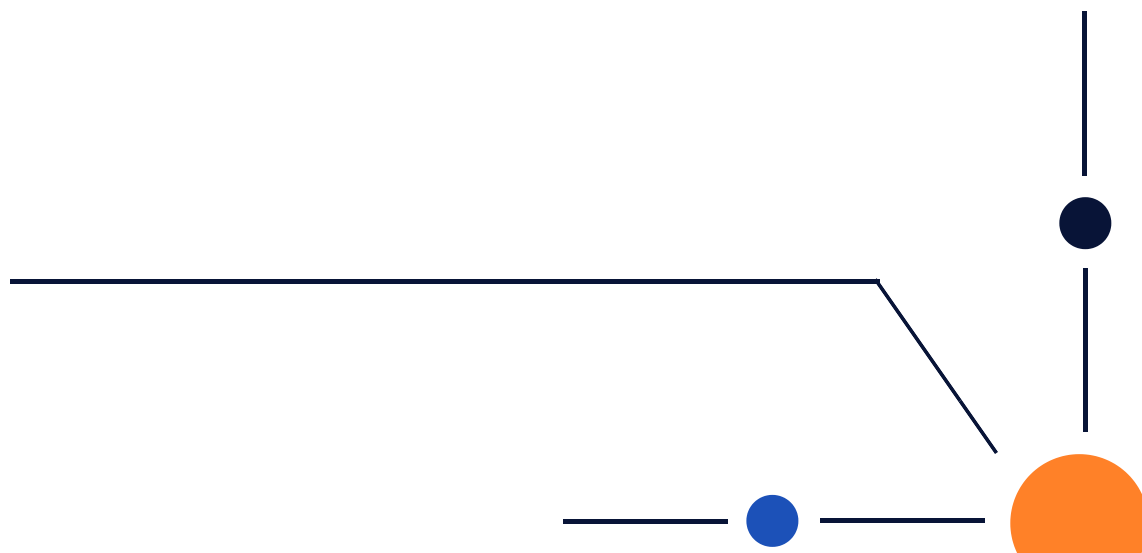
83%

of global consumers report that they use two or more devices simultaneously.



# Best practices to capture potential buyers while your company is top of mind:

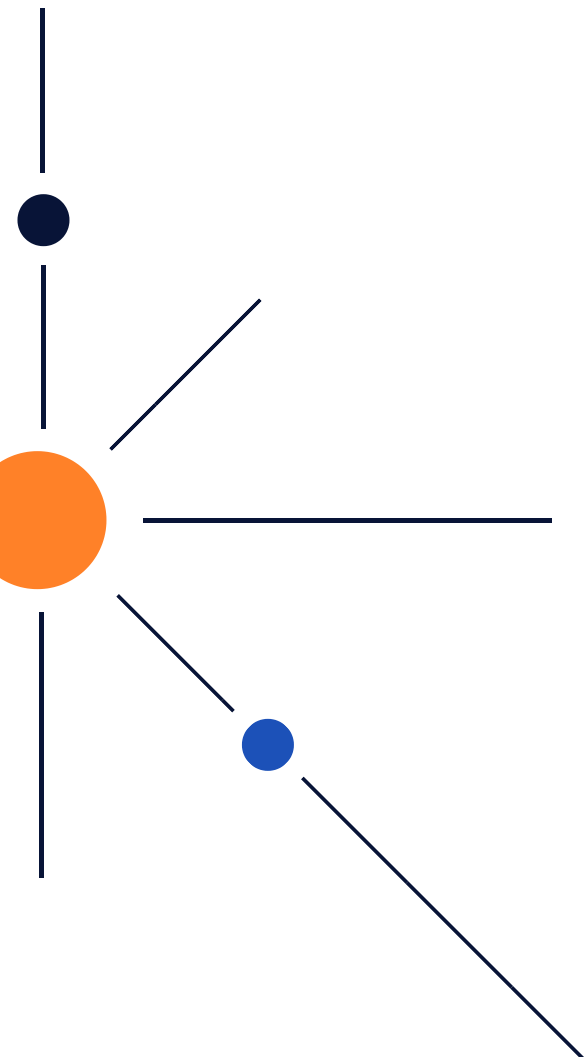
- Highlight the most popular and profitable products for potential buyers
- Customize landing pages and displays based on customer profiles
- Update information in real-time to avoid inaccuracies, expired promotions, and outdated content to minimize confusion for potential buyers
- Eliminate clutter and make your company's website easy to navigate
- Give customers access to phone- and video-based meetings or chats so they can readily get the information they need
- Show high-quality images and never use generic materials that devalue the product offering





**17% of marketers  
use Landing  
Page A/B testing  
to improve  
advertising  
conversion rates**

**Has your organization  
prepared to drive and  
capture traffic?**



Once organizations identify and map their buyer experiences, design the right ecosystem to support purchaser interactions and embrace a personalization-centric approach, they'll need to develop a strategy to bring the new B2B value chain to life.

The last priority, but not the least important, is to ensure an easy purchase experience for buyers. By offering competitive payment options, companies can be confident that they have delivered value at every step of the purchasing process.

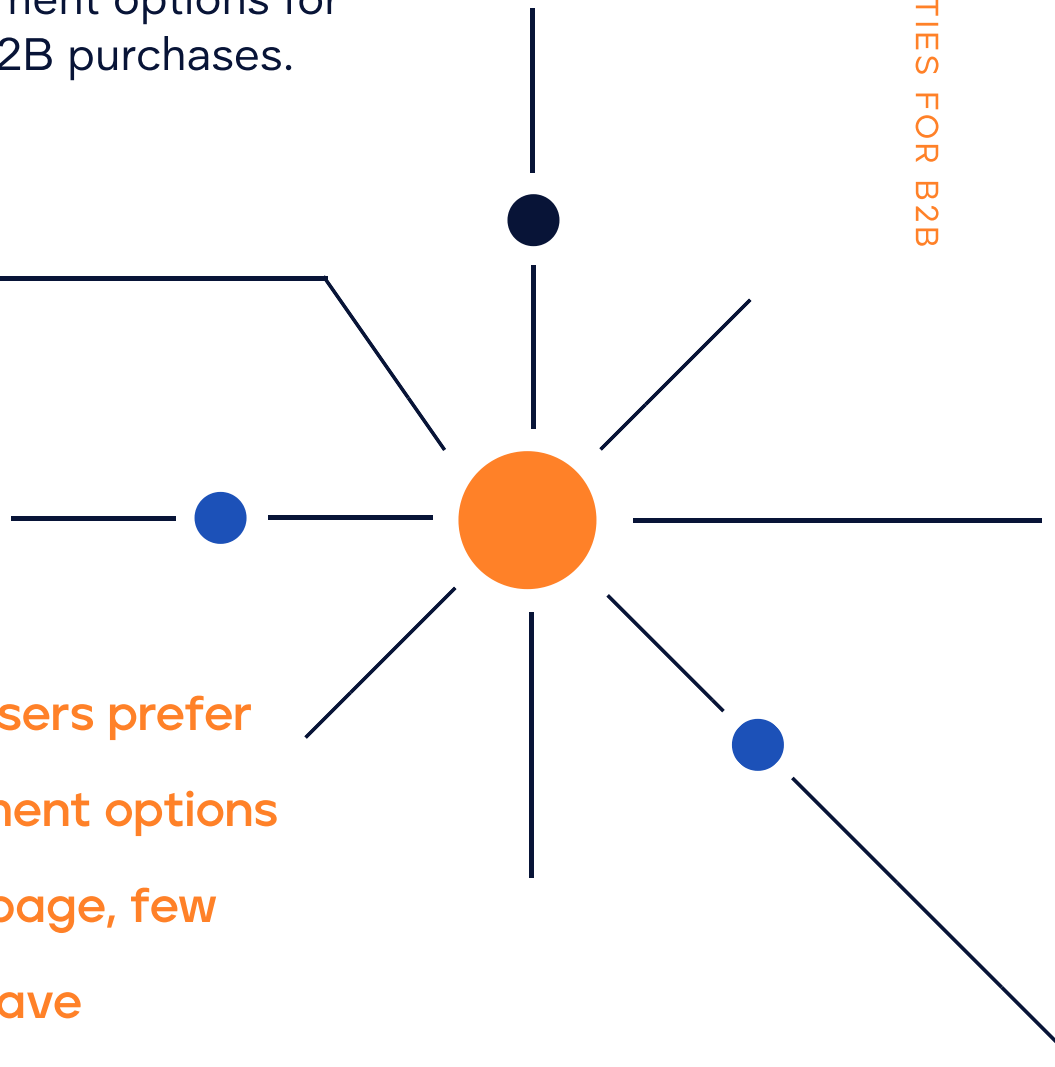




Despite the constant market volatility, buyers are willing to spend six figures or more digitally.

Unlike the business-to-consumer e-commerce model, there are few available payment options for large-scale B2B purchases.

**56%** of purchasers prefer a variety of payment options at the checkout page, few B2B companies have mastered this opportunity.



# With Mercero, purchasers save time and pay faster.



CONCLUDING PRIORITIES FOR B2B

Built by a team of experts, Mercero accounts for every detail of a complex transaction. From managing purchase orders to negotiating payment terms, we have your business covered.

B2B sellers can use Mercero to check purchaser credit, approve payment terms, and visualize their accounts receivable data with just one click. It's a win-win.

We've done the research, talked to our customers and are excited to bring businesses around the world a world class digital transaction experience. Visit [mercero.com](http://mercero.com) for more information.

