



## EXECUTIVE INSIGHTS

# Elevating B2B Digital Commerce: A CEO's Guide to Driving Growth and Innovation

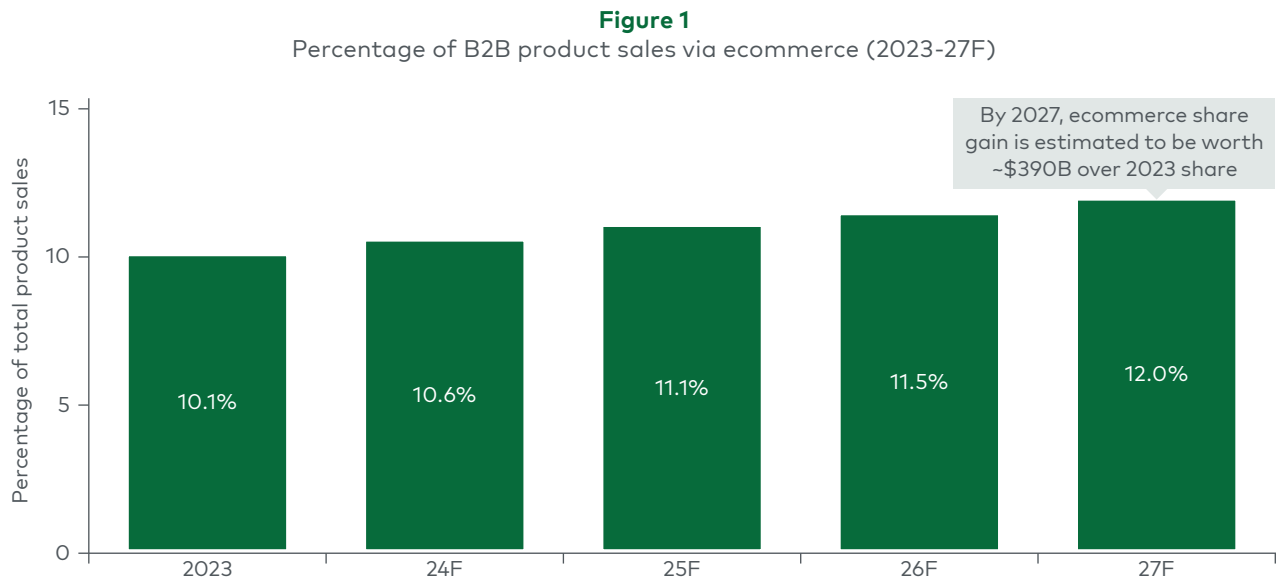
There is a range of digital routes to market for business-to-business (B2B) companies today, and the specific channels, customers and products involved can have a significant impact on the value of a given go-to-market strategy. Leveraging third-party sellers through marketplaces such as Amazon is one example of the many digital routes. In the following sections, L.E.K. Consulting provides a specific perspective on using independent sellers to further enable digital commerce strategy.

Historically seen as the domain of business-to-consumer (B2C) transactions, digital commerce has quickly proven to be equally important in the B2B and business-to-business-to-consumer (B2B2C) sectors. Despite slower ecommerce adoption in the B2B realm, the trajectory points toward continued growth and significant opportunities for businesses willing to embrace digital strategies. This edition of *Executive Insights* provides an overview of the current state of digital commerce in B2B, details key barriers to adoption and outlines strategies for successful execution.

Digital commerce is less prevalent in B2B compared to B2C; however, its importance cannot be overstated. Today, 98% of B2B firms are procuring online in some form and 91% of B2B purchasers prefer online channels, indicating a fundamental shift toward digital channels. Beyond direct purchases, customers are increasingly relying on online tools for product research and selection; 93% of sales begin with an online search.

The rate of growth for ecommerce within B2B sales further underscores its rising significance, with B2B ecommerce sales expected to nearly quadruple the growth of overall B2B product sales. A notable 10% year-over-year increase in B2B ecommerce sales in 2023 (15.7% for

Amazon Business) starkly contrasts with a projected 3.0% growth in overall B2B product sales. Through 2027, ecommerce sales are expected to grow by approximately 7.5% per year, strongly outperforming non-ecommerce product sales growth of about 2.6% (see Figure 1).



Note: B2B=business-to-business  
Source: L.E.K. research and analysis

The strong preference for online procurement and the large volume of transactions taking place online represent a threat to firms that are not selling via digital commerce. Without online channels, companies risk not being accessible to customers and not being aligned with distributors' or resellers' preferences. Proactive investment in digital presence is critical to retain influence on brand and product selection given that legacy shelf/stocking advantages are mitigated by online retailers' ability to use drop ship or marketplace resellers to create an "endless aisle." These fundamental changes to purchasing behavior represent a near-term threat to market share and value for companies that lag in adopting digital strategies.

### Barriers to effective digital commerce strategy

Several challenges hinder the seamless adoption of digital commerce strategies in B2B:

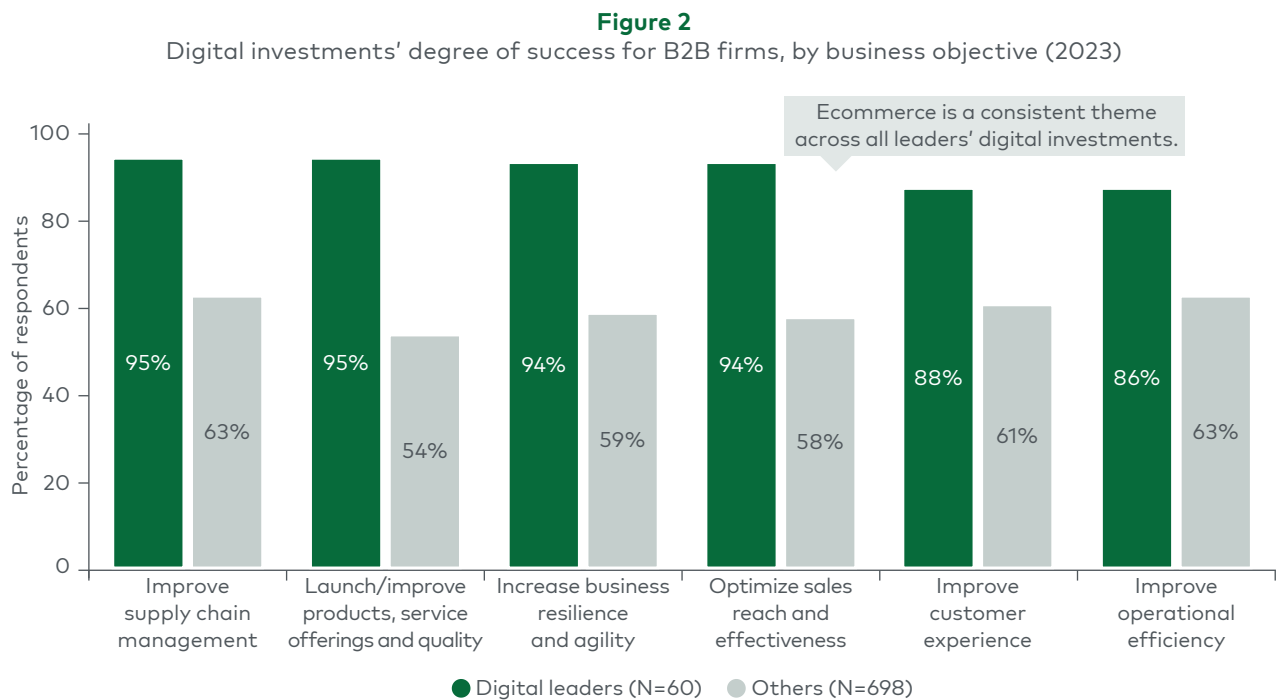
- **Pricing integrity:** Maintaining consistent pricing across channels is crucial, especially given the broad visibility of ecommerce platforms. Inconsistencies can lead to a "race to the bottom" effect, undermining both online and physical store sales.
- **Digital (im)maturity:** Companies that are less digitally mature are often hesitant to embrace digital initiatives, further delaying their digital commerce evolution and driving a wider digital gap with competitors.

- **Pervasiveness of digital stakeholders impacting brand image:** Partners and third parties can significantly influence a company's digital footprint and brand image, necessitating careful management, but the wide range and breadth of stakeholders online can be a barrier to success and effective policing.
- **Product information consistency:** Discrepancies in product information across online channels can create friction for customers and partners, damaging brand value.

**Strategies for digital commerce excellence**

Developing and executing a robust digital commerce strategy<sup>1</sup> involves six key steps:

- 1. Tailoring ecommerce and omnichannel ambitions to needs:** Deciding on the extent of investment in ecommerce and omnichannel capabilities must be a strategic choice, tailored to the brand's needs and market. Improving these business objectives will drive an improvement in customer experience (see Figure 2).

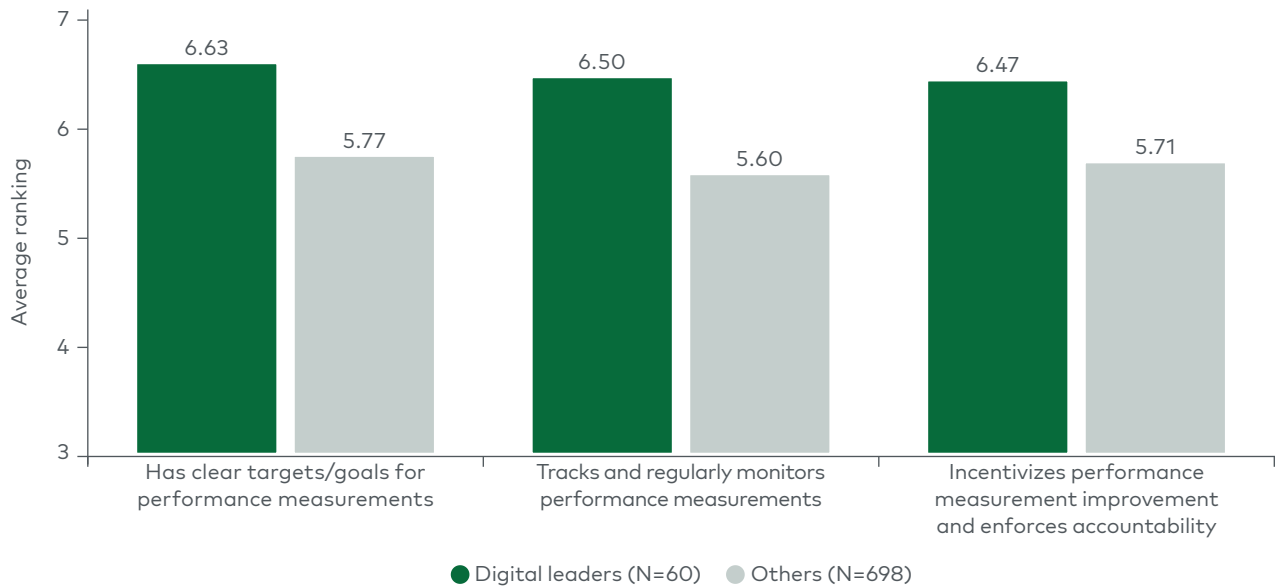


Note: B2B=business-to-business  
Source: L.E.K. 2023 Digital Impact Survey

- 2. Goal definition and tracking:** Clear objectives and performance targets for each digital commerce channel, alongside governance guidelines, are essential. Successful strategies leverage best practices and ensure stakeholder alignment (see Figure 3).

**Figure 3**

Digital investment success of B2B firms, by target measurement maturity (leaders vs others) (2023)

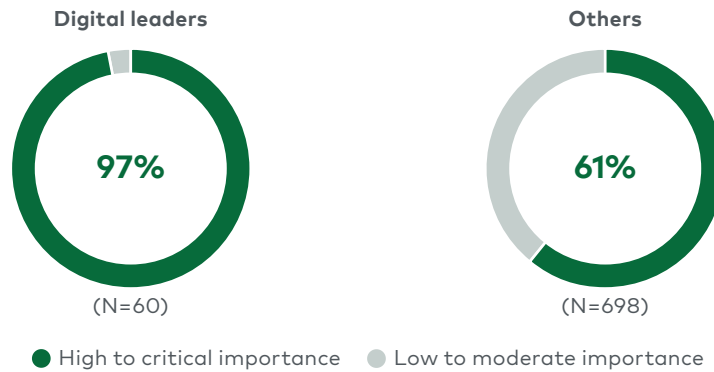


Note: B2B=business-to-business  
 Source: L.E.K. research and analysis

- 3. Stakeholder engagement:** Communicating the benefits and aligning internal and external stakeholders around the digital strategy are critical for fostering support and building momentum within the organization.
- 4. Governance:** Digital progressives consistently have a robust governance program. Developing these programs ensures that stakeholders up and down the organization are clear about and aligned on the digital strategy, creating a higher chance of success (see Figure 4).

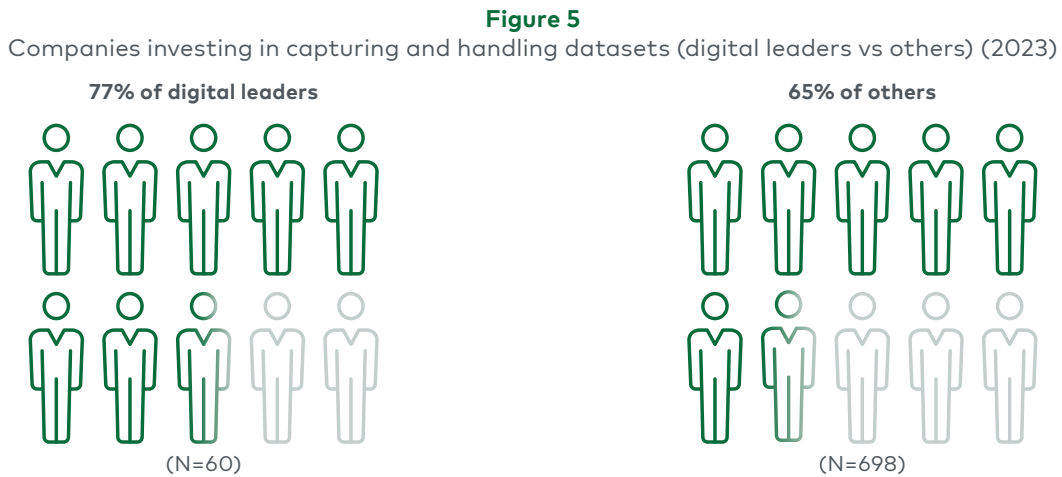
**Figure 4**

Level of clarity of digital governance structure within B2B firms (2023)



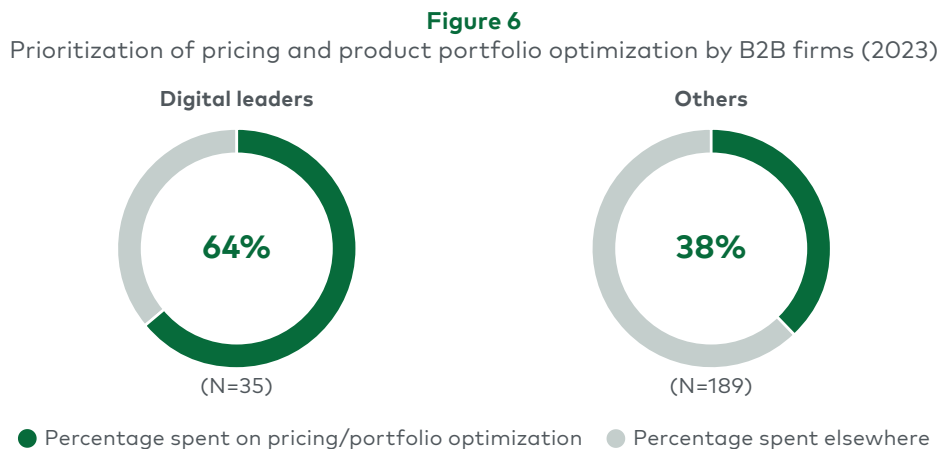
Note: B2B=business-to-business  
 Source: L.E.K. research and analysis

**5. Data management:** Addressing data integrity and system functionality issues is vital to laying the groundwork for digital strategy success (see Figure 5).



Source: L.E.K. research and analysis

**6. Price integrity and stock-keeping unit (SKU) monitoring:** Establishing and maintaining price consistency is a journey that begins with aligning pricing norms and closely monitoring product listings (see Figure 6).



Note: B2B=business-to-business  
Source: L.E.K. research and analysis

**Key element of success: Strategic online reseller program**

One avenue to driving ecommerce success is developing an online reseller program. The pervasiveness of resellers and the reach of Amazon make the online reseller channel highly active and impactful. Despite its importance, this channel is often ignored and unmanaged, which raises the question: How can a company effectively harness this digital activity?

Creating a successful online reseller program requires robust infrastructure, structured program design, strategic customer selection, comprehensive communication strategies and effective program management.

**Infrastructure development** is a vital component. It provides the technical and operational backbone needed for the program's success, facilitating seamless interactions between the company and its resellers. This infrastructure must support a variety of functions, from order processing and fulfillment to data analytics and customer service. The right mix of software tools, platforms and processes is essential to empower resellers, enabling them to effectively market, sell and support products.

**Program design** is not to be overlooked. It should feature clear tiering to differentiate between resellers based on various criteria such as sales performance, market reach and commitment to the brand. This tiering system allows for the customization of support, incentives and rewards to match the value each reseller brings to the company. Moreover, establishing effective metrics for tracking success is crucial. These metrics should cover a range of key performance indicators, from sales growth and market penetration to customer satisfaction and loyalty. They provide the insights needed to refine the program continually, ensuring it drives the desired outcomes.

**Strategic customer selection** for optimal online representation is imperative. This involves identifying and partnering with resellers that can best represent the brand in various online channels, ensuring that your targeted customers receive consistent, high-quality experiences across touchpoints. Selecting the right resellers enhances brand visibility, reinforces brand values and expands the company's reach in targeted markets.

**Communication strategies** play a pivotal role in the reseller program's success. Internally, clear and consistent messaging ensures that all departments understand the program's importance, its goals and how it integrates into the company's overall strategy. Externally, communication must engage resellers, providing them with the information, training and support they need to succeed. This dual focus on internal and external communication helps build a cohesive network of partners that are well informed, motivated and capable of delivering the brand experience to the end customer.

**Effective program management** is critical, serving as the guiding force that oversees the entire reseller ecosystem. This includes the coordination of activities, the allocation of resources and the continuous evaluation of the program's performance against predefined benchmarks. The goal is to ensure that the program remains aligned with the company's broader digital commerce objectives, adapting to market changes and evolving buyer needs.

## Conclusion

Underinvesting in digital commerce is no longer an option for B2B sellers. Whereas digital commerce used to represent white space and potential upside above legacy channels, lacking a digital commerce strategy today poses an immediate, fundamental risk to core sales revenue. As legacy channels continue to lose share, B2B companies that do not sell online risk alienating a majority of their customer base — those who increasingly prefer to research, shop and purchase online through a variety of channels. Overall, ignoring digital commerce and persisting with outdated go-to-market strategies represent an immediate threat to competitiveness, market share and customer loyalty — digital commerce transformation is critical to survive in an increasingly digital world.

Conversely, companies that do prioritize digital commerce have a significant opportunity to increase their reach and flexibility, meeting both current and potential customers where they are and prefer to be while increasing exposure to a high-growth channel that is expected to continue to take share. To reap these rewards, companies must navigate the challenges of pricing integrity, digital maturity, the breadth of digital stakeholders impacting brand image, and product information consistency by investing strategically, defining and tracking goals, engaging with stakeholders, building governance structures, managing data and diligently monitoring price levels.

The wide-ranging journey toward digital commerce success in the B2B realm often requires a strong reseller program as a foundational pillar. Reseller programs that incorporate robust infrastructure, structured program design, strategic customer selection, comprehensive communication strategies and effective program management are best positioned to unlock the benefits of digital B2B commerce while also building a network of partners that can amplify and support a company's digital presence.

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If you're interested in discussing how L.E.K. can help you evaluate high-growth market opportunities, please contact us at [digital@lekinsights.com](mailto:digital@lekinsights.com).

## Endnote

<sup>1</sup>Lek.com, "AI Has Moved Beyond Hype — It Is Driving Performance and Deployment Is Widespread." <https://www.lek.com/insights/dig/us/ar/ai-has-moved-beyond-hype-it-driving-performance-and-deployment-widespread>

## About the Authors



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Gavin McGrath is a Managing Director and Partner based in L.E.K. Consulting's Boston office and a leader in the firm's Industrial Digital practice in the Americas region. Gavin's experience includes digital products and business models, digital customer experience and ecommerce, the Internet of Things and Industry 4.0, digital ways of working, and digital readiness. He has a particular focus on building products, residential and commercial construction, and the built environment ecosystem.



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Jenny Lieb is Director of L.E.K. Consulting's Digital Strategy practice. Jenny has expertise in digital transformation, strategy formulation, customer experience optimization, data and analytics, AI, omnichannel operations and digital work methodologies. Throughout her career, she has held the role of executive advisor to clients across diverse industries, including finance, banking, aviation, healthcare, high tech and automotive.

## About L.E.K. Consulting

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