# Successfully Selling the Value of a B2B Digital Transformation

*Building a case for upgrading your organization's eCommerce infrastructure*

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# Introduction

eCommerce waits for no business. Fluid changes in consumer technologies, buyer demographics, and purchasing behaviors persistently challenge todays legacy systems. In the current era of eCommerce, continued reliance on dated digital solutions not only risks negative impacts to business infrastructure, it may be compromising the continued loyalty of your customer base as well.

Fear of change is to be human, but fortune favors the brave. At present, B2B commerce is undergoing a technological renaissance, with many organizations actively evolving their eCommerce assets. Yet despite proven efficiency gains, cost savings, and revenue growth, selling the value of a digital upgrade to key decision-makers remains an uphill battle.

This guide provides three persuasive approaches – supported by the data of leading industry authorities – to help you build a compelling case for upgrading your B2B organizations digital.

# A *Strategic* Perspective

## Future-proofing your business begins today

**A**s your legacy platform ages, you may find it experiencing difficulty satisfying fluid changes in customer purchasing trends and behaviors. There may be more technical debt to maintain than you've encountered in the past, requiring costly, time-consuming IT development. Using a modernized ecommerce solution, teams benefit from a configurable technology suite, it can dramatically improve overall business agility, and open the doors to expanded revenue growth.

### Modern eCommerce solutions enable faster time to market

Customers have distinct service demands which they expect you to deliver on quickly. One major advantage modern commerce systems offer is they are continually updated by vendors and developers, ensuring consistent peak performance. Supported by vast extension marketplaces, new features can be added to these platforms effortlessly, reducing the need for customized coding solutions.

Today's commerce solutions feature cloud-based infrastructures protected by industry-standard security protocols. Cloud-based platforms generally have a faster time to market, require less coordination across departments, and include all the necessary development and deployment tools.

## Legacy Solutions

- Home-grown solution

- On-premise

- Difficult to find developers

- Custom development for new features

- Down-time risk

- Security gaps

## Modern Solutions

- Cloud-based

- Full-featured

- Continually updated

- Global developer ecosystem

- API-first

- App marketplace

- PCI-compliant

## Upgrading delivers the agility to manage changing business requirements

20 years ago, businesses were under far less pressure to develop engaging digital experiences and service offerings. Now, organizations must react quickly to fluid changes in market trends and buyer behaviors or risk losing their audience to competitors. Empowered by a modernized system, organizations gain the operational agility to accommodate B2B and B2C audiences, expand past regional boundaries, and engage new business models.

- **B2B and B2C Selling**
  Manufacturers are increasingly forming direct relationships with their buyers while the direct-to-consumer model helps drive innovation, brand recognition, and profitability

- **Global Expansion**
  As eCommerce has become the global commerce standard, companies are capitalizing on cross-border expansion to fuel their revenue growth

- **Emerging Business Models**
  To win customer loyalty, B2B companies are creating their own online marketplaces while testing new business models with a greater range of advanced service offerings

- **Multiplying Customer Touchpoints**
  B2B companies must create compelling experiences to engage customers across a range of touchpoints including mobile, E-procurement systems, digital marketplaces, and social media.

## Upgrading provides agility to handle changing market requirements

Upgrading your existing legacy system means your team can tap into emerging technologies to perform more efficiently. A modernized solution also enables you to distance yourself from competitors who are slow to grow the potential of their own digital platforms.

- **API-first Platform Supporting Headless Deployments**
  APIs create experiences fitted to every consumer touchpoint while enabling faster integration with your existing business systems

- **Open Platform Sustained by a Thriving Digital Ecosystem**
  Flexible commerce architecture and ongoing developer support ensures your platform can seamlessly integrate the latest technical innovations

- **Multi-Site, Multi-Audience Solution**
  Expand globally, add new brands or business units, and engage traditional sales channels while exploring the potential of direct relationships

**Magento Commerce empowers businesses to pursue new opportunities and thrive in an ever-evolving digital environment.**

**Honeywell Aerospace**
Established a first-of-its-kind marketplace for aerospace parts in just 12 weeks

**Festo**
A factory automation manufacturer is now selling software "apps" which enhance their products in 22 countries using a subscription model

**Unipart**
Set up a way for consumers and fleet managers to book vehicle service appointments with local garages which use and stock Unipart auto parts as a way to drive new sales

**AI-enabled solutions accelerate growth for B2B companies**

The latest eCommerce platforms incorporate new technologies which help create memorable buyer experiences at scale. With the emergence of artificial intelligence (AI) and machine learning (ML) features, nearly every aspect of your digital infrastructure and business processes can be improved upon.

- **Personalize Experiences**
  Intelligently display site content and guide a buyer through your catalog based on their personal profiles and insights from thousands of other customers

- **Optimize Pricing and Offers**
  Present the best pricing and offers to consolidate customer loyalty while driving revenue

- **Intelligent Product Recommendations**
  Recommendation engines leverage a rich assortment of site and buyer data to encourage product discovery and incremental purchases

- **Reveal New Business Insights**
  Gain an intimate understanding of business performance with detailed reporting, automated anomaly detection, contribution analysis, and customer segmentation capabilities

# AI in *Action*

## Magento Commerce capabilities powered by Adobe Sensei

**A**dobe Sensei is Adobe's artificial intelligence and machine learning technology integrated with many aspects of Adobe's digital experience solutions. The inclusion of Sensei has dramatically enhanced the overall customer experience while automating a range of manual tasks.

Currently the first Sensei-powered capabilities in Magento Commerce are in early access, using powerful AI-driven algorithms and a flexible design framework to automatically promote and filter product recommendations throughout the customer journey. Additional Sensei-powered capabilities will continue to be introduced to Magento Commerce including A/B testing, content personalization, and more.

*"80 percent of organizations using AI for digital commerce will achieve at least 25 percent improvement in customer satisfaction, revenue or cost reduction."*
*- Gartner*

# Conceiving *Cost Savings*

## Digital decreases drains on resources

A legacy system could be your biggest savings deterrent due to the high cost of ongoing maintenance and site updates. Upgrading your existing solution not only lowers operating overhead, it eliminates costly inefficiencies associated with content creation. In turn, this frees up resources which can be directed towards more constructive business objectives.

### The Proven Value of Migrating to Magento Commerce

Magento commissioned a **third-party ROI research study** which interviewed 19 customers and 3 solution partners to assess the business value of migrating to Magento Commerce, revealing a number of valuable insights.

- 47 percent migrated from homegrown solutions, 18 percent from competitor solutions, 35 percent from Magento Commerce 1

- GMV ranged from $1.4M to $1.6B

- Results: 165.3 percent ROI, 8-month payback period

## Upgrading Your eCommerce Solution Reduces Maintenance Costs

An eCommerce platform requires ongoing upkeep from either your IT department or a third-party solution provider to ensure consistent peak performance. As your system ages, these maintenance requirements – and associated costs – can add up quickly. Upgrading your system minimizes these expenses thanks in part to the introduction of features which scale back the number and scope of maintenance routines.

- Industry-standard software design allows for easier maintenance

- API-focused architecture enables faster, fluid system integrations

- Software is supported by regular updates, security patches, and bug fixes

- Cloud-based infrastructure eliminates hosting infrastructure maintenance

- Value-added services like CDNs, firewall protection, and system performance monitoring are included and pre-configured for optimal functioning

- Greater catalog depth offering more products to choose from

**According to the participants in our ROI study, migrating to Magento Commerce reduced maintenance costs by an average of $60K per year.**

## Modern ecommerce platforms have lower site update costs

Site updates refer to work done by your IT team or 3rd party solution provider to extend functionality or add new features. Moving to a more flexible solution with a strong support ecosystem can significantly reduce the costs associated with platform updates.

An ROI study of our customers over a three-year period revealed they saved an average of over $220K by purchasing off-the-shelf marketplace extensions versus writing new software using internal or external resources. Many businesses save even more by having a solution flexible enough to support multiple audiences, eliminating the need for independent B2B and B2C solutions.

|  | Year 1 | Year 2 | Year 3 |
|---|---|---|---|
| **# Extensions Purchased** | 7.96 | 4.64 | 4.60 |
| **Cost Savings per Extension** | $12,792 | $12,792 | $12,792 |
| **Platform Upgrade Cost Savings** | $101,824 | $59,355 | $58,844 |

**Newer solutions support more efficient content creation**

Another way platform modernization reduces your operating costs is by streamlining the content creation and publishing. Today's content creation tools do not require special coding or technical skills, making them more user-friendly. This means businesses can manage most production in-house, creating a faster transition from idea to live content while reducing reliance on IT resources.

- Accelerate site development using drag-and-drop interfaces

- Approve changes to the user experience using real-time preview

- Automate publishing schedules for special offers and promotions

## Magento Commerce – Content Creation in Action

78.9 percent of respondents indicated the content creation experience is much more efficient on Magento than on their prior platform, leading to significant productivity increases.

In aggregate, merchants achieved an **average time savings of 61 percent.**

# Accelerate
## *Revenue Growth*

### Expand your brand with enhanced eCommerce

Y our legacy platform may have your day-to-day operations covered but growing your business into a formidable market presence requires a more advanced feature suite. Upgrading your commerce solution means you can engage customers in delightful new ways, opening the door to increased site traffic, elevated conversion rates, and larger AOV gains.

**Upgrading your ecommerce platform increases site traffic**

An upgraded platform gives you the capability to create compelling digital experiences which encourage customers to spend more time browsing… and buying. Today's eCommerce solutions are equipped to attract and engage buyers using a range of powerful features.

Magento Commerce customers experienced a **24.8 percent increase** in site traffic after upgrading, giving them a bigger pool of visitors to mine for new sales.

- **Better search engine optimization**
  Modern platforms offer features and automation to make it easier to drive organic traffic – things like SEO-friendly URLs for products and categories, automated sitemaps and rich snippets, the ability to easily generate meta tags, and more

- **Mobile-friendly experiences**
  User responsive designs or progressive web applications deliver a great experience for mobile users which keep them on your site, boosting SEO rankings

- **Robust analytics**
  Hone your marketing activities and bring the right type of visitors to your site by showing campaign ROI and channel effectiveness

## New commerce capabilities raise conversion rates, AOV, and overall sales revenue

You've drawn customers to your site, now comes the challenge of getting them to stay and spend. If your eCommerce environment lacks conveniences like personalized purchasing, frictionless checkout, and flexible fulfillment, the race is over before it started. Conversely, modernized solutions offer features which lead to higher conversion rates, AOV, and overall sales.

- **Personalized Buyer Journeys**
  Offer highly relevant content, targeted offers, and recommendations, transforming casual browsers into loyal brand advocates

- **B2B Purchasing Tools**
  Encourage spending by allowing B2B buyers to upload a list of SKUs, negotiate quotes online, or set up requisition lists of frequently purchased products

- **Inventory Visibility**
  Displaying product availability and stock across multiple locations gives buyers the information they need to confidently place orders

- **Flexible Fulfillment Options**
  Buyers can choose how and when they receive their purchases using an order management solution with omnichannel fulfillment capabilities

- **Mobile Optimized Experiences**
  Delivers optimized experiences for every screen size, enabling customers to overcome traditional mobile purchasing challenges

- **Multiple Payment Options**
  Master frictionless checkout by offering multiple transaction options, from payment on account to credit card, as well as regional-specific payment methods

**Magento Commerce Customers Experience Big Gains After Upgrading Their Commerce Platform**

- **BookPal**
  Wholesale bulk book seller increased their AOV by 25 percent

- **Intelligentsia Coffee**
  Increased their conversion rate by 160 percent after upgrading to Magento Commerce, driven in part by a better mobile experience for their independent coffee shop buyers

- **Crane Stationary**
  Achieved 127 percent increase in their mobile revenue thanks to a new site experience, optimized B2B ordering, and more

Customers who upgraded to Magento Commerce used these features to increase conversion rates by an average of 16.1 percent and AOV by 4.8 percent. Mobile performance improved even more, with an impressive 29.1 percent increase in mobile revenue.

# Final Thoughts: Business Performance *Improves With Change*, Not Chance

**T**here is no understating the value of upgrading. While your commerce platform has done its due diligence, the demands of modern commerce may soon – if not already – outstrip its operating capabilities. As many businesses have discovered, maintaining the  status quo on a legacy system has resulted in stagnate market growth, spiraling operating costs, and loss of market share to technologically progressive competitors.

The future belongs to those who embrace transformation. A dedicated digital upgrade delivers performance advantages which can place a B2B organization at the forefront of it's given industry. In addition to gain in operational efficiency and customer satisfaction, upgrading provides a powerful framework for achieving long term goals otherwise unattainable using a dated eCommerce solution.

Become the agent of change you were meant to be. A compelling case to upgrade will motivate key decisions makers within your organization to rethink the role of its commerce system moving forward. Having prepared sufficiently for this moment, you will have the opportunity to sell the value of modernization and ensure your B2B business is sufficiently prepared for the escalating demands of regional and global marketplaces.

## Conclusion

Here is a quick summary of the ideas we've shared which you can use as a checklist when creating your own business case.

|  | Enhanced eCommerce |
|---|---|
| **Strategic** | Faster time to market<br><br>Business agility<br><br>Leverage emerging technologies |
| **Cost Savings** | Lower maintenance costs<br><br>Reduce site enhancement costs<br><br>Efficiently create content |
| **Revenue Growth** | Increase site traffic<br><br>Improve conversion rates<br><br>Grow customer spending |

**Learn more about how Adobe can bring your B2B business into the digital commerce era:**

**Explore the Magento Commerce solution**

**Magento Commerce for B2B**