E-Commerce for Suppliers: B2B Hacks to Drive Online Sales

Chris Beals, CEO KometSales SAF 2023



My Background / Overview

- B2B and B2C marketplace scaling in cannabis
 - 7 countries and 38 states
 - Integration between ecommerce and SaaS / laaS
 - Highly competitive space with high market variability
 - Very law/policy driven
- Presentation is light on
 - Hardcore funnel strategies
 - SEO strategy
 - Payment and rev cycle strategies
- Focus (tried to narrow from B2C talk)
 - Ecommerce through lens of company operating metrics
 - Sales team and ecommerce synergy
 - A light overview of B2B digital merchandising
 - Brand in B2B supply chain



Disclaimers

- New to industry, so some general assumptions
- Small sample size validation
- Not selling any solutions focusing on strategies
- I won't win any presentation awards
- I found a meme generator while preparing this presentation

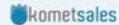


What does Komet do in Ecommerce

- B2B Ecomm
 - Point to Point Ecommerce
 - K2K (automated supply chain eCommerce)
- Ecommerce API's off ERP / Inventory Management
- Digital payments
- Future Roadmap
 - Bunches
 - Hardgoods
 - Added accounting integration
 - B2B eCommerce embeds
 - o Robust B2B deals, discounting, loyalty
 - True headless API's
 - CRM to ecommerce



B2B Ecomm Economics



Why Embrace B2B Ecommerce?

Benefits

- Improved gross margin (5-10 point uplift)
- Orient sales team for growth
- Reduce discounting pressure
- Higher order sizes
- Reduced error rates
- Better range of available marketing strategies
- Reduced spoilage
- Faster new market expansion
- More agile analytics

What Changed

- COVID
 - Digital comfort
 - Remote teams
 - Consumer demand hangover
- Generational Shift
- Inventory/Data Improvement
- Farm digitization



Thinking Revenue Cycle and Relation to eCommerce

Gross Margin \leftrightarrow CLTV - CAC - COGS

Purchase Frequency/Life (CLTV)	How often do they come back and is it organic?
Purchase Size (CLTV)	How many products do they purchase and what is the trend?
Cost of Acquisition (CAC)	How much are you spending to get new customers or reactivate dormant customers?
COGS / Cost to Sell (COGS + Indirect)	Can you reduce shrinkage and decrease labor as a proportion of your goods sold?
Conversion Rate or Error Rate (-CLTV)	How lossy are you on the orders placed or how many customers are "bouncing"?

Disclaimer: Apologies to any accountants viewing this slide

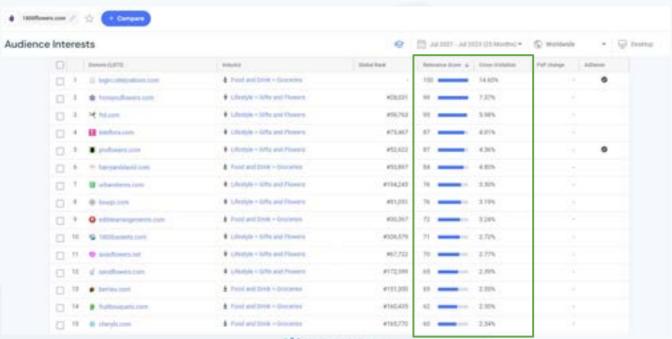


Purchase Frequency

- Ecommerce de-frictioning
- Digitizing loyalty/rewards
- Customer lifecycle marketing
- Digital deals and discounting (and analog too)
- Digitizing standing orders



Both businesses and consumers cross-shop



Average Order Size

- Smoother ecommerce; friction = less purchasing
- Catalog visibility (buy new items)
- Time to shop / time shifting
- Easing discounting pressure
- Faster reordering "don't rely on memory"
- Upsell/Cross-Sell/Bundle
 - Getting almost box lots to box lots (or full pallets)
 - Suggesting related goods
 - Relevant recipe suggestions
- Freight cost "buckets" (if selling delivered prices)







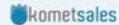
Cost of Acquisition / Reactivation

- Marriage between ecommerce and the marketing strategies it enables
 - Digital channels can convert to customer signup or lead generation
 - Better tracking of marketing effectiveness
- Better allows referral networks and referral rewards (suppliers, loyal customers)
- Good ecommerce opens your inbound channels
 - Note: A lot could be added on inbound channel expansion
 - Inventory browsing
- Reactivating a dormant customer is just as good as a new customer
 - Ecomm let's your sales team deepen book penetration



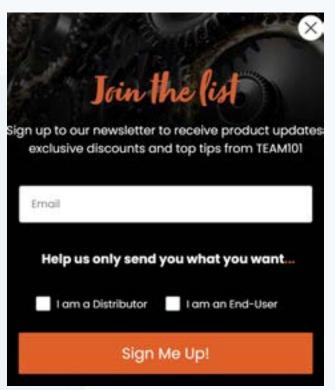
Wholesaler SEO





Email Marketing to Drive Ecommerce

- Always grow the list
- Segment customers / roles
- Don't mix transactional/non-transactional emails
- Don't "unsubscribe all"
- Make transactional emails impactful
- Make transactional emails timely
- Advanced
 - Tie emails to ecommerce
 - Trigger-based emails





Cost of Goods Sold + Sales Cost

Sales

- Sales team moves to AM model can service bigger book
- Decreased labor to reduce aging

Labor

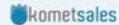
- Increasing basket size yield labor efficiencies
- Digitizing standing orders facilitate lower labor per \$ (tracking reduces CS costs)

Inventory

- Pre-selling inventory or ordering on prearranged demand reduces spoilage
- o Better data to reduce goods that don't sell and increase goods that sell

Freight

- Better data and predictability
- Pre-selling inventory can avoid repackaging (cross docking)



Error Rate - the X Factor

- Lack of critical payment support
- Pricing errors (includes tariffs and taxes)
- Manual steps interrupting digital process
- Sales against unavailable inventory
- Failure to display relevant inventory
- Missed delivery or failure to manage delivery expectations



Inside Sales and eCommerce



Sales Teams and B2B eCommerce Synergize







How to Marry Sales and eCommerce

Do

- ALL orders are online orders; Enables sales teams to enter online orders on behalf of customers
- Marry analog and digital workflow / order queue
- Invest in sales enablement tools for ecomm
- Treat ecomm orders like an opportunity for upsell
- Bias pricing/fees to drive online sales (chase margin expansion)
- Make payments seamless
- Digitize standing order supplementing

Don't

- Have disparity in discounting / deals
- Exclude ecomm sales from commission (incentivize digital sales)
- Keep your sales team "posture" the same as pre-digital (e.g. think AM)
- Position ecommerce as an alternative to sales best practices
- Prevent customers from adding to orders
- Ignore NPS or satisfaction



Identify What You Want To Change in Sales

- High percentage of static standing orders
- Low penetration on customer book
- High order book customer concentration
- Customers aging without follow-up (triage process)
- Static SKU mix in orders (lack of upsell/cross-sell)
- Difficulty moving new or discounted SKU's
- Stagnant new customer prospecting
- No customer success or satisfaction measurements
 - Orders are a trailing indicator



Sales Team Incentives Paired to Ecomm

- Collar commissions around a higher AOV per customer
- Think about multivariate commission that includes:
 - New client growth / dormant account activation
 - Ecommerce account signups
 - Book penetration
 - Digital order ratios / standing order digitization
- Dynamically adjust margin targets based on MTD performance
- Tying commission to margin or discounting profile
- Digitally tracking NPS



B2B eCommerce Strategy



Ecommerce & Merchandising Best Practices

- Do you want to login gate?
- Cleanly handle multiple users / new users
- Add search and get people to engage with new SKU's (suggest new products)
- Provide enough info; don't confuse your knowledge with their knowledge
- List versus grid; readability
- Cultivating reviews
- Thinking about value signals or triggers
 - Can you better segment the intent of the shopper
 - How to position aged inventory as a good deal vs. unwanted/remnant
 - How to position new products to drive sales uptake



Common B2B Ecommerce Ailments

- Ecommerce democratizes buyer personas (veterans/newbies)
- As orders digitize, customers want post-order digitized
- Ecommerce should aid payment transparency

What are the biggest issues?

- → Delivery and tracking (44%)
- → Relationship with suppliers (39%)
- → Visibility of product features (34%)
- → Payment terms (34%)
- → Ease of checkout (33%)
- → Ease of repeat ordering (33%)



B2B Needs Mobile Too

- B2B will skew more desktop
- Can provide subset of functions in mobile
- Shopping lists and favorites
- Aid for cash and carry setups

Consumer Device Split





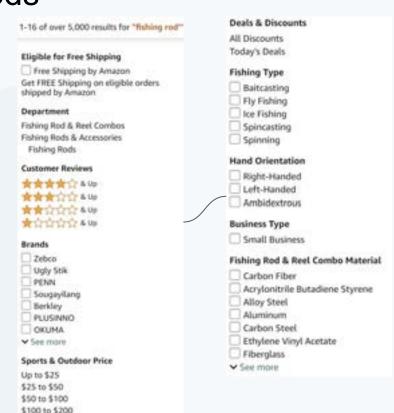
Category Page Strategy

- Match hierarchy of shopping intent
- Enable search
- Think about filters and rendering results (and clearing)
- Product imagery and form of display (density, card vs. row)
- Capture means of fulfillment to determine display



Example: Amazon . . . Fishing Rods

- Ordered by engagement (generally)
- Biased towards Amazon preferred monetization pathways
- Individually based profile & behavior
- Amazon advertising has impacted





\$200 & above

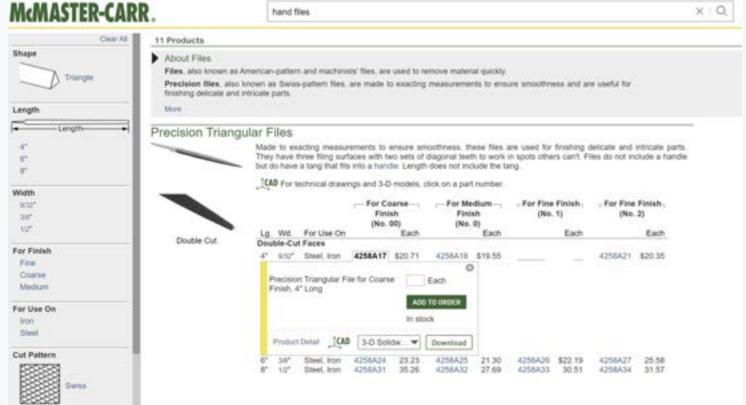
B2B Inventory Example







McM Example





McM (Continued)

11 Products

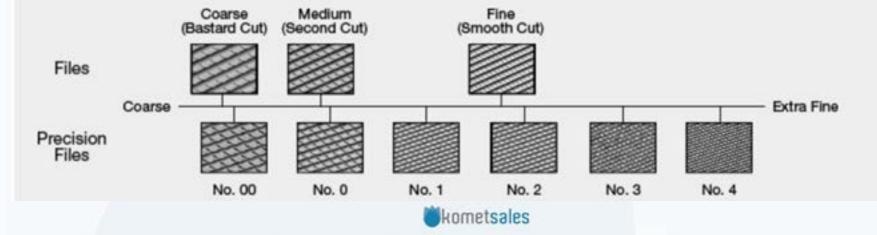
About Files

Most files do not include a handle but do have a tang that fits into a handle.

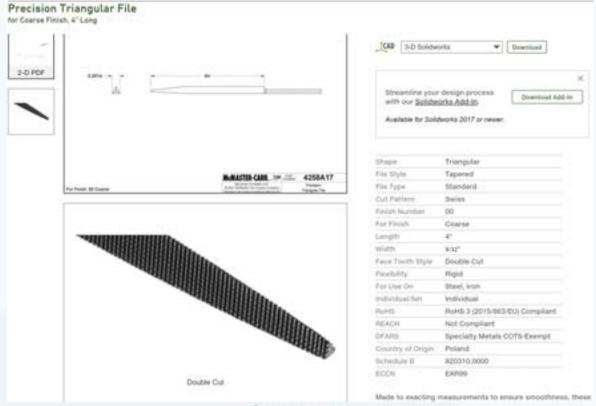
Files, also known as American-pattern and machinists' files, are used to remove material quickly.

Precision files, also known as Swiss-pattern files, are made to exacting measurements to ensure smoothness and are useful for finishing delicate and intricate parts.

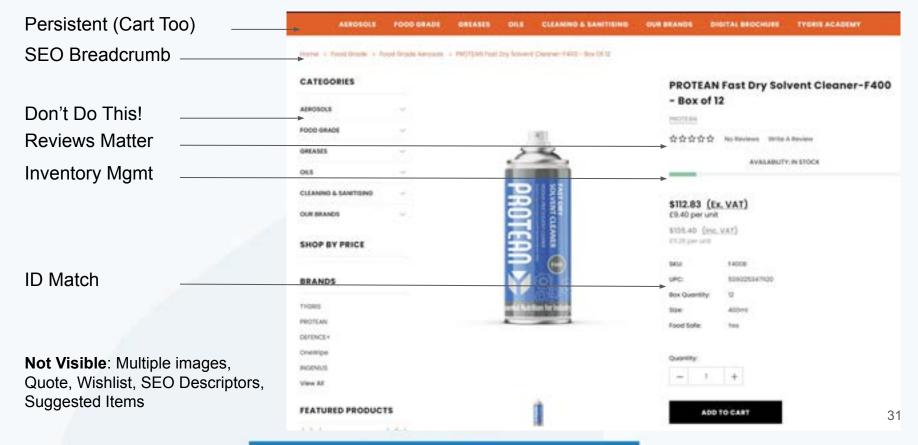
Finishes



McM (Continued)



A B2B Product Page Anatomy



A Dose of My Own Medicine . . . Komet Ecommerce

Boxes Bunches

Vendor	Product Description		Unit Price	Stems /Bunch	Available Quantity	Mark Code	Order Quantity (Bunches)	Actions
Florecal	Achillea Achillea 10 Stems Orange Select Orange	E3	\$3.26 /BU	25	3 BU			Add
Flores ABC	Agapanthus Blue Bicolor	E3	\$7.75 /BU	20	9 BU			Add
Flores ABC	Agapanthus Red	123	\$1.07/ST	25	3 BU			Add
Flores -MIA	Alstro Blue		\$0.84 /BU	10	1,199 BU			Add
Flores ABC	Rose Freedom		\$0.75/ST	25	3 BU			Add
George's Flowers	Rose Red		\$0.70 /ST	25	2 BU			Add
Flores ABC	Roses Freedom 40	63	\$0.92 /ST	25	31 BU			Add
Agrinag	Sunflower Gold	B	\$1.33 /ST	13	2 BU			Add

- Images to speed search
- Grid vs. List View
- Discounting indicators
- PDP Modal
- Review framework

- Faster reorder
- Save for later / Lists
- Unit toggling
- Recipe builder
- Product Norm./Cat.

- Scarcity and urgency indicators
- Improved filtering
- Substitution suggestions
- Infinite product scroll
- Price compare



B2B Deals, Discounting and Loyalty

- It's a myth that these don't work as well in B2B
- Buyer (B2B & B2C) behavior is inextricably tied to "winning" & "success feedback" & "gamification"
- Ensure you have parity between online and offline
 - Single fastest way to cripple ecommerce growth
- Allow your sales team to manage and adjust
- Have marketing channel plan for deals and discounts
- Map triggers and rules for dynamic deals/discounts



Bonus: Brand Affinity in a Digital World

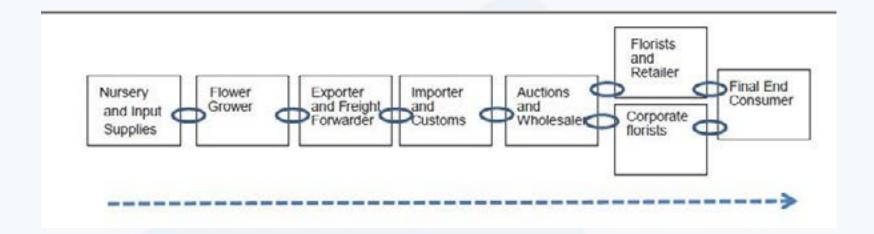


Brand Issues From Cannabis

- Consistent mismatches between perceived and actual brand velocity
- Mismatched self-perception vs. third party perception
- In industries with a distribution layer decay in brand positioning
- Heavy spiffing to reps by brands
- Radically different supply chain structures
- Packaging requirements varied



Grower Brand Awareness Decay Through Supply Chain





Fighting Brand Decay

- Monitor NPS
- Building product reviews
- Finding brand champions
- Make digital collateral
- Buyer training and education
- Rep spiffing
- Normalize product descriptions, including on third party sites



Brand Exercise

- Survey down supply chain customers
- Think who drives your sales growth? Is it the person you sell to or the person who buys from them?
- If you ask buyer sales reps about your brand do they answer consistently?
- Does your imagery for products and packaging in collateral match current state?
- Do you have a list of "why you" values and do you actually deliver?



Questions or Komet Curious?

E: chris@kometsales.com M: +1 (786) 310-0171





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