

INDUSTRY BRIEF

# Capitalizing on Disruption in B2B Distribution

The distribution industry used to be way more straight-forward. The competitive landscape was crystal clear whereby efficiency created a margin high enough to win based on price, availability, and solid relationships with your suppliers and customers. Once again, disruption isn't just changing the playing field, it's building a new stadium.

Many of the same technological and economic shifts that have disrupted other industries over the past decade have begun to appear in the distribution industry, as well. With those disruptions have come new competitors, like Amazon, new customer demands, like mobile and omnichannel, and new threats, like disintermediation (or, put another way, being removed from the supply chain.) However, as with all potential setbacks come opportunities for companies willing to embrace market changes to position themselves in a stronger position to compete in the new digital marketplace.

Success in the modern landscape for distributors will hinge on using technology and strategies popularized in other industries, specifically B2C retail, to enable a disruptive enterprise to cut costs, explore new opportunities, and establish even deeper relationships with even more customers than previously imaginable.

## ***Fully Commit to Omnichannel Commerce***

Statistically speaking, the average age of procurement specialists has dropped as many seasoned professionals have retired. They are being replaced by a demographic that embrace the disruptive nature of B2C commerce in terms of looking for the same kind of experience they have come to expect – a user friendly, omnichannel experience that allows them to do their job in the context of their daily lives.

To best meet the needs of their customers, a distribution company should analyze and understand the buying journey and habits of it's customers in order to identify which Ecommerce features are immediately necessary to implement. and create a roadmap for additional features that is prioritized according to greatest potential for Return on Investment. At a minimum, perhaps, customers will expect access to real-time inventory availability and 24/7 ordering capabilities on any channel, including mobile, Over time, demand will increase for all of the complex processes that are part of a B2B purchase – yearly contracts, negotiated prices, delivery schedules, credit, and payment plans.

Distributors must ensure that customers receive consistent content and a unified experience on every channel and should anticipate that many buyers may begin the path-to-purchase in one channel but may complete it in another channel.

## Strengthen Customer Relationships

As mentioned previously, distributors traditionally relied on building and maintaining strong relationships with customers to increase bottom line sales. Anticipating the needs and buying patterns of, especially high-value, customers often made the difference between keeping a loyal customer or losing her to a competitor. Today, B2B customers are increasing the proportion of purchasing they make online – and many prefer to interact with a website prior to even talking to a salesperson. However, that doesn't mean that the art of relationship selling is dead.

Distributors should break down department or organizational silos to gain a single view of each customer – at both a corporate account and individual level to gain insight that will lead to greater personalization, product offers and features that will keep the customer on its site throughout the purchase journey. Perhaps your customer will be more likely to increase spend with your company if you offer subscription services, same day delivery, or greater functionality for customizing products, order bundles or even shipping specifications. Perhaps, the customer consistently gets stalled at a particular point in the process and providing them with additional content or ability to chat with a sales representative will increase conversion.

## Create a Smarter Information Supply Chain

A typical distribution enterprise routinely handles thousands, or even millions, of product SKUs. Trading partners, retailers and direct-to-consumer marketplaces require the same, or even enhanced, information about product in varied structures & formats. And, too often, this information is acquired and managed via a manual process that increases the likelihood of duplication or data entry errors that affect the overall quality of the content. This impacts the ability to quickly onboard products to a catalog, collaborate with suppliers and product teams to enrich the product data with digital images, and to make that content available to retailers and consumer marketplaces in consistent and consumable formats. These roadblocks decrease time-to-market and can hinder the customer experience.

Distributors should adopt enterprise Information management tools and strategies that automate the aggregation, management, and publication of product information. Establishing a single location to store structured product content (like attributes, classifications and taxonomies) and unstructured content (such as images and videos) delivers significant operational efficiencies and improves business performance. Suppliers can manage their own catalog uploads and item updates, and change management rules for can enforce enterprise standards for quality and completeness. Product Managers can easily locate and link enrichment content to product master files. And, channel managers can trust that each channel will receive the same accurate and up-to-date product content.

And, ultimately, customers will be delighted by the experience.

Want to know more? Contact us at [GoAmplifi.com/Contact](https://GoAmplifi.com/Contact)



Amplifi is an information management consultancy that helps the world's leading brands, retailers, and manufacturers to harness and unleash the power of their #1 asset... **THEIR DATA.**