

Is Your Business Ready?

The Australian Business to Business E-Commerce Shakeup is Underway.

By the year 2020, online business to business (B2B) E-Commerce sales are forecasted to eclipse US \$6.7 Trillion globally [1]. Before dedicating a weekend to starting an Etsy store, registering for online courses and assembling bottle-top necklaces, consider that, on average, 80% of businesses who receive venture capital are developing products for the B2B market [2]. Investors know that B2B is where the real money is, but why aren't some business's taking notice?

In the classic, old world of bricks-and-mortar, sales representatives, and door-to-door selling, the objective was to get an appointment with the purchasing officer, or someone who can make a buying decision. It was an "art form" taught in board rooms across the world. Any free time available was dedicated to watching 'how-to-sell' videos and books, studiously learning the "art of selling". However, the Internet has introduced a whole new medium for this art form; E-Commerce. Today, anyone can create a shop-cum-empire, and thus more entrepreneurs are swapping how-to-sell for how-to-code.

"We started by selling scientific equipment and consumables online because these are products that we know well and have niche-market appeal. We knew the market was relatively small and centralized through government and university purchasing departments, but with the right mix of pricing and product options, we thought could capture a small segment. So we spent a year developing the technology and building relationships, and then we launched LabFriend with the promise of globally competitive prices on international brands" says Karl Wyzenbeek, whose B2B-focused E-Commerce company LabFriend, has just the launched IndustryFriend – a B2B E-Commerce site offering over six hundred thousand products to Australian business, targeting a number of industries including mining, hospitality, construction, and many others.

Karl Wyzenbeek, founder of IndustryFriend & LabFriend

Wyzenbeek goes onto say "After the fantastic customer response we got from the lab market, we thought to ourselves – Hold on! Don't all businesses want to save money? What if we take our model one step further and promise savings to all industries?" But are Australian businesses ready to shop online?

New start-ups are depending on Australian businesses learning to behave like consumers by shopping online and circumventing the sales reps altogether. B2B buyers already shop online, via websites and apps, for their personal purchases. The comfort and ease of their at-home experience has redefined their expectations, setting them higher than ever before. [3]

"The main push-back our customer service team experiences on a daily basis is the payment method. Many government-owned organisations are limited by their purchasing procedures and lack the ability to think outside-the-box to save money. The most depressing issue here is that organisations are spending more of taxpayer's money on the process of procurement than on the products themselves; employing people to fill out-dated and redundant layers of admin, and then what they have left over for purchasing just doesn't cut it."

Unlike other E-Commerce sites, targeting businesses with a corporate, formal appearance, the LabFriend and IndustryFriend websites have a very friendly, customer-focused feel, not too dissimilar to eBay or Amazon. "Even though we are targeting businesses with our products, people still need to enjoy using our website – in our opinion, the principles of targeting a customer looking for cookbooks, or a purchasing officer needing 1000 aprons, should be the same. The experience needs to be intuitive, with as little touch-points as possible"

This cultural concept doesn't stop online - step into the LabFriend head office and the stereotype of what a B2B business selling high-end industrial products and research equipment is out the window. Music is playing loudly, casually-dressed staff are typing to the beat, and the entire environment is relaxed and, well, friendly! "Even though our team is selling high-value merchandise on a daily basis, to the largest corporations in Australia, we are definitely not a suit-and-tie company. Our team members have backgrounds in marketing, customer service and retail. They don't even know that they are breaking the rules of what s B2B is meant to be, they just do it."

Consumers already understand the benefits and convenience of online shopping; price matching, instant quotes, and live chats with customer support. These are just some of the features that "regular" consumers already love, and that finance and procurement officers are missing out on, and can look forward to when they join the rest of us online. Businesses should follow suit and treat their time and money with the same respect a person would. Find a business owner that wants to waste money and you'll find a person who loves paperwork more than they love profit.

[1] <http://www.forbes.com/sites/sarwantsingh/2014/11/06/b2b-E-Commerce-market-worth-6-7-trillion-by-2020/>

[2] <https://www.cbinsights.com/blog/tech-ipo-pipeline/>

[3] <http://www.forbes.com/sites/brianwalker/2014/05/06/why-e-commerce-still-isnt-clicking-with-b2b-executives/>

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