



# HOW E-COMMERCE CAN HELP YOU GO GLOBAL OVERNIGHT

AN INSIGHT INTO GLOBAL  
B2B E-COMMERCE





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Remember when the B-word was on everyone's lips and it was top of the agenda at every business meeting, news bulletin and even family dinner? Throw COVID-19 into the mix and it's been a challenging period for business. But with change – and challenge – comes opportunity – and there is plenty to be optimistic about.

At DHL Express, we're passionate supporters of business – small and large, online and offline, local and global. But if there's one thing we know from working with successful businesses like Reiss and Triumph Motorcycles, it's that seizing the opportunity to grow online helps them thrive like no other. Opportunities open up to make their operations more efficient, to better understand their customers and in particular to target new customer segments around the world.

In light of recent events and changes to 'business as usual', e-commerce opportunities are rapidly developing and there has never been a more significant time for companies to seize the initiative, especially when it comes to going global. Spreading your risk by expanding into multiple overseas markets will drastically improve your chance of surviving – and even better, thriving.

So, how do you ensure you're adapting to meet the demands of conducting business online, and driving overseas sales? Read on to see what's changed in the e-commerce landscape and find out how to keep up.

For help and guidance on growing your international e-commerce, visit [dhlguide.co.uk/b2b](https://dhlguide.co.uk/b2b) or contact us on [gettingstarted@dhl.com](mailto:gettingstarted@dhl.com) or **01332 828402**.

**There's no better opportunity to thrive than by going global**

## A CRITICAL CHANGE IN THE B2B SECTOR IS THE DEMOGRAPHIC OF BUYERS

## THE EVOLUTION OF B2B E-COMMERCE



Before Coronavirus was even part of our day-to-day vocabulary, B2B e-commerce was on the rise. In fact, the global B2B e-commerce market was valued at US\$12.2 trillion in 2019 – that's over six times that of the B2C markets (Statista).

A critical change in the B2B sector is the demographic of buyers – and how they have changed their preferred ways to do business. In a study by Mirakl, Oracle and B2B Online, the team researched how age groups and evolving channel adoption are redefining B2B sales.

With 46% of adults predicted to be Millennials (born from 1977 to 1995) in 2020 (Forrester), they are extremely au fait with prioritising digital channels for a better experience through greater flexibility and personalisation.

But it's not just Millennials. In fact, the majority of buyers in all age groups,

including Baby Boomer (born from 1946 to 1964) and Gen-X (born from 1965 to 1976), are embracing digital, choosing to conduct business via online channels and marketplaces over traditional one-to-one meetings or phone calls. The study found that in each age group, approximately 70% of buyers value the fewer negotiations and improved sales processes associated with online marketplaces.

Recognising the B2B buyer experience needs – and adapting your sales strategy – is proven to put you a step ahead of your competitors.

### THREE MAIN TRENDS IN B2B E-COMMERCE

1.

#### VERTICAL MARKETPLACE MODEL

Vertical marketplaces specialise and offer value added services. The size of the global B2B market leaves sufficient room for the rise of vertical marketplaces.

2.

#### MOBILE B2B E-COMMERCE

Mobile Sales and Marketing becomes increasingly important; the growing importance of smartphones in the B2B purchase cycle has made it imperative for both suppliers and marketers to adapt.

3.

#### PERSONALISATION

Personalisation boosts customer experience. Suppliers are now making use of big data gathered from various touchpoints to personalise the B2B shopping experience.

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# HOW B2B COMPANIES ARE ADOPTING B2C BEST PRACTICES

The rise of digitisation is changing the traditional B2B approach and businesses are learning from B2C practices in this age of immediacy. Early winners in the B2B space have successfully incorporated proven B2C features into their e-commerce shopping experiences to ensure they're set up for overseas success. Align your business with the following practices to prosper from going global online too.

## Customer experience

Based on their experiences as a private consumer, more customers are expecting an 'Amazon-like' shopping experience from B2B companies with an e-commerce offering i.e. simple, flexible and convenient. For organisations at the early stage of B2B e-commerce platform implementation, the provision of a simple but effective on-site search engine is essential to enable the customer to view the products on offer.

As we move to more sophisticated B2B e-commerce players, we observe a comprehensive suite of tools available to help the customer navigate the site and find detailed information about the products, including mega menus, video libraries, website tutorials and competitor comparisons.

## Customer personalisation

Customer personalisation is a growing trend in cross-border B2B e-commerce companies. B2B e-commerce companies are offering personalised solutions via a customer portal with content organised



**91%**

OF B2B BUYERS LOOK FOR THE AVAILABLE DELIVERY OPTIONS BEFORE REACHING THE CHECK-OUT

around a number of parameters: past purchase history, price optimisation algorithms that meet customised product price requirements, configure-price-quote (CPQ) software to make online quotes and prices that are adjusted on the basis of the relationship. More advanced B2B companies use the latest technologies from their platform to combine knowledge from both human and machine in order to identify patterns of human behaviour.

B2B e-commerce platforms can improve customer satisfaction and retention by providing clarity around the potential hidden costs to the transaction such as taxes and customs. 21st century customers are looking to source globally and B2B e-commerce platforms must be able to handle payment in any currency whilst the smooth integration of front and back office business processes facilitates the B2B customer journey.

## Seamless integration

The right mix of tools in B2B e-commerce is needed to deliver a seamless integration. This integration is mostly done through B2B omni-channel commerce which is a multi-channel sales approach i.e. combining online, bricks and mortar store, tablet and/or smartphone options. This seamless integration increases customer engagement and helps B2B companies to amplify their business goals and targets by reaching business customers globally. To ensure a truly seamless end-to-end process, B2B

**74%**

OF B2B BUYERS FOUND CONVENIENCE OF DELIVERY MOST IMPORTANT

**46%**

OF BASKET ABANDONMENT IS CAUSED BY LIMITED SHIPPING OPTIONS

**FREE VS. FAST**

THE TREND IS STARTING TO REVERSE. B2B BUYERS ARE WILLING TO PAY A PREMIUM FOR THAT CONVENIENCE

companies must improve the delivery and collection options for their customers. Based on the experience of the B2C sector, there is also clear recognition that the customer experience can be damaged by poor management of the last-mile delivery process. B2B companies are therefore investing to ensure that the final touch point with the customer is also a positive one. One example of approaches taken is the introduction of solutions such as 'Click and Collect'.

## Synchronisation of logistics

Logistics will play a critical role in any cross-border B2B e-commerce offering and B2B companies must adapt their supply chains to respond faster and more flexibly to the opportunities that are arising. Business customers want speed, reliability, traceability and

convenience in delivery, supported by an effective returns and exchange policy for damaged items/products.

To increase their competitiveness and address different customer requirements, B2B companies can emulate the strategy of online retail platforms by providing multiple transport and delivery options, dependent on respective cost, transit time and/or service requirements. Thanks to integration with the systems of transport providers, customers can select their preferred solution with full visibility of the costs involved.

Synchronisation of logistics operations in a cross-border context can be adopted as an add-on service, such

as an application to be hosted on a B2B company's e-commerce website. The application provides secure and simpler transactions to B2B customers whilst an integration of e-commerce with technologies and systems such as ERP and CRM facilitates an end-to-end connectivity with the selling process.

These technologies and applications are vital in today's competitive world, enabling B2B companies to offer end-to-end, cross-border solutions with the flexibility to meet diverse and changing customer demands.

Efficient, effective logistics are critical to a successful international e-commerce offering.

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## IS YOUR WEBSITE E-COMMERCE READY?

As a passionate supporter of British business, DHL Express, with its team of international and e-commerce specialists, is here to support you with guidance to ready your business for international e-commerce success. We help many of our customers consider how to remove barriers to purchase and increase customer satisfaction. Our advice includes a 'website health-check' through to logistics support covering customs advice, pricing strategies for duties, tax and shipping and best practice for easy returns solutions. With industry and logistics knowledge in the 220 countries and territories in which we operate, we are also at the forefront of understanding how each country is adapting during these recent challenging times.

From counsel on how to improve the performance of your e-commerce platform to services that better the customer experience, we can provide a personalised consultation applicable to your business. Visit [dhlguide.co.uk/b2b](http://dhlguide.co.uk/b2b) for further tips and considerations on how to get your website e-commerce ready or speak to one of our experts on **01332 828402**.





# HOW ARE GLOBAL TRADE LANES EVOLVING?

As the world united in the fight against COVID-19, we've felt more connected than ever before, despite the restrictions on travel and global people flows.

Global connectedness is a measure we monitor closely, having produced six Global Connectedness Indexes (GCIs) – a report showing the extent to which any given country is connected to others, measured on how much of their activity is domestic versus international, and how many countries the international activity is shared among.

The latest report (released December 2019) found that international flows have remained surprisingly resilient to challenges faced so far (note: this research was conducted pre-COVID-19). Whilst people flows are on hold, with a presence in more than 220 countries and territories worldwide, DHL Express is well-equipped to keep the world moving through trade.

## So, what – and more importantly, where – are the opportunities for your business?

With 90% of global spending power outside of the EU, global trade flows are evolving. Data released by the Office for National Statistics (ONS) in April 2020 confirmed that British businesses are looking further afield with exports to non-EU countries increasing 10.7% on the previous 12-month period (note: the impact of COVID-19 on UK trade is yet to have a noticeable effect on the figures reported).

The UK is in a strong position to make the most of export opportunities, and UK businesses are playing a pivotal role in driving the future economy as we embrace the huge opportunities as an independent, outward-looking and free trading nation. Between 2010 and 2019, goods exports have increased by 40% and the relative importance of the EU as an export market declined (ONS UK Trade).

So, where are the new opportunities for British businesses? Between 2010 and 2019, the fastest-growing markets for UK exports of goods included locations such as North Macedonia, Hong Kong and Turkey.

The UK government is investing in infrastructure to ensure we can remain in the best possible position for international trade. Examples include plans to introduce up to ten free ports across the UK, and creating national hubs for trade, innovation and commerce.

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## TOP 10 UK EXPORT & IMPORT MARKETS FOR GOODS ONLY IN 2019, SEASONALLY ADJUSTED<sup>3,4</sup>

Rank	EXPORT market	£ billion	% of total	Rank	IMPORT market	£ billion	% of total
1	United States <sup>2</sup>	58.6	15.7%	1	Germany	64.9	12.9%
2	Germany	36.9	9.9%	2	China	46.9	9.3%
3	China	25.8	6.9%	3	United States <sup>2</sup>	46.5	9.3%
4	France	24.6	6.6%	4	Netherlands	42.4	8.4%
5	Netherlands	24.5	6.6%	5	France	30.7	6.1%
6	Ireland	21.7	5.8%	6	Belgium	25.6	5.1%
7	Belgium	13.0	3.5%	7	Italy	19.5	3.9%
8	Switzerland	12.1	3.2%	8	Spain	17.2	3.4%
9	Spain	10.7	2.9%	9	Norway	16.2	3.2%
10	Italy	10.1	2.7%	10	Ireland	13.7	2.7%
	EU	170.6	45.8%		EU	265.5	52.9%
	Non-EU	201.9	54.2%		Non-EU	236.7	47.1%
	World	372.5	100.0%		World	502.2	100.0%

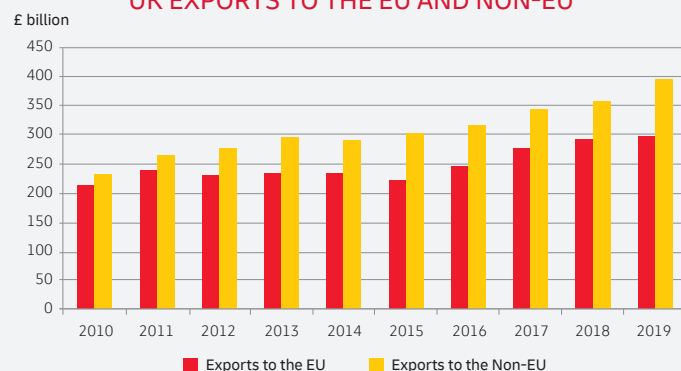
Source: ONS Balance of Payments, UK Oct to Dec 2019

## TOP 10 UK GOODS EXPORTS IN 2019, SEASONALLY ADJUSTED

Rank	Commodity (SITC division)	£ Division <sup>1</sup>	% of total billion	% of total good exports
1	Cars	78M	31.7	8.5%
2	Mechanical power generators (intermediate)	71M	28.2	7.6%
3	Medicinal and pharmaceutical products	54	23.3	6.2%
4	Crude oil	330	20.9	5.6%
5	Aircraft	792	14.4	3.9%
6	Precious metals <sup>5</sup>	97	14.1	3.8%
7	Refined oil	33R	12.6	3.4%
8	Scientific instruments (capital)	87K	10.1	2.7%
9	Works of art	896	9.8	2.6%
10	Organic chemicals	51	9.7	2.6%
	Total goods exports		372.5	100.0%

Source: ONS Balance of Payments, UK Oct to Dec 2019

## UK EXPORTS TO THE EU AND NON-EU



Source: ONS Balance of Payments, UK Oct to Dec 2019

## FASTEST-GROWING MARKETS<sup>1</sup> FOR UK EXPORTS OF GOODS BETWEEN 2010 AND 2019, SEASONALLY ADJUSTED<sup>2</sup>

Rank	Export market	Value in 2019 (£ billion)	Growth 2010-2019
1	North Macedonia	1.3	406.5%
2	Malta	1.4	250.7%
3	China	25.8	212.4%
4	Qatar	2.9	202.2%
5	Switzerland	12.1	152.3%
6	Slovakia	1.1	133.1%
7	Hong Kong	9.4	121.0%
8	United Arab Emirates	7.8	97.9%
9	Turkey	6.4	97.2%
10	South Korea	4.3	87.9%

Source: ONS Balance of Payments, UK Oct to Dec 2019

With a growth in e-commerce comes a growth in its impact on the environment. Global industry has a heavy impact, from the extraction of raw materials to the production, distribution, use and disposal of goods.

# ADOPTING SUSTAINABLE E-COMMERCE PRACTICES



Many businesses are already considering how they impact the world around them, but are you? With 50% of digital consumers stating that environmental concerns impact their purchasing decisions (GlobalWebIndex), if sustainability is not currently on your radar it should be.

## The Circular Economy

This new model can help drive efforts to conserve products and resources by 'closing the loop', achieved from minimising waste and promoting reuse at each stage of the trade cycle.

The circular economy aims to keep products, equipment and infrastructure in use for longer, improving the productivity of resources, and is based on three core principles:

1. Design out waste and pollution
2. Keep products and materials in use
3. Regenerate natural systems

## Recommerce

Recommerce – or reverse commerce – is growing in popularity, and with good reason. Whilst second-hand shopping is not new, retailers moving to the buying and selling of pre-owned goods is. In the UK, brands are even taking to buying back their used stock, with both John Lewis and Adidas offering vouchers in return for old items, which will be repaired, resold, or broken down to create new ones.

## Rethinking packaging

An e-commerce package is handled 20 times more frequently on a journey from distribution centre to a consumer's home than when transported on a pallet to a retail store. With each of those touchpoints presenting an opportunity for the item to be dropped or damaged, e-commerce supply chains create much higher requirements for product protection.

While product protection in transit is highly relevant, this needs to be balanced with packaging ease of use for the customer. Businesses want their branded packaging to represent them in a positive way, but consumers become frustrated if it is hard to use and difficult to recycle.

E-commerce retailers have encouraged the development of packaging designs that prioritise access with minimal effort. Amazon, for example, promotes the concept of 'frustration-free packaging', which requires packages to be easily accessible, recyclable, and designed to minimise waste. The company says that since it began the programme in 2008 they have removed 180,000 tonnes of packaging, including 307 million boxes, from the supply chain.

Together with customers, DHL Express is raising awareness by educating and engaging staff, presenting initiatives and disseminating knowledge across DHL and our customer base.

## SUSTAINABILITY CHECKLIST

- Is your business working to be sustainable and to high ethical standards?
- Do you consider sustainable principles at product creation stage?
- Do you know how green and ethical your manufacturers and suppliers are and the processes they use?
- Do you show customers the carbon footprint of the products they are purchasing?
- Can shoppers find out where their products are made?
- Do you use plastics in your logistics and packaging?
- Do you tell customers that their packaging is sustainable and/or recycled?
- Are you offsetting your carbon emissions for product logistics and/or delivery?
- Do you have green end-of-life solutions for products?

**GOGREEN**

Climate neutral shipping with DHL

There is growing global demand for environmentally-responsible logistics. In fact, through our GoGreen programme, DHL is committed to meeting a zero emissions target by 2050 and we are training 80% of our staff to be certified specialists in GoGreen practices. Find out more at [dhlguide.co.uk/sustainability](http://dhlguide.co.uk/sustainability)





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