



A TreviPay eBook

# The Hidden B2B Potential in Your B2C Checkout





# Table of Contents

<b>SECTION 1</b>	<b>Introduction:</b> The B2B Opportunity for B2C Retailers	<b>4-5</b>
<b>SECTION 2</b>	Why B2B Buyers Require a Credit Card Alternative	<b>6-7</b>
<b>SECTION 3</b>	How to Enable B2B Customers to Make Larger, More Frequent Purchases	<b>8</b>
<b>SECTION 4</b>	Key Indicators that it's Time to Focus on B2B Customers	<b>9</b>
<b>SECTION 5</b>	How to Identify and Address Buyer Pain Points	<b>10-12</b>
<b>SECTION 6</b>	Benefits of Partnering With a B2B Payments and Invoicing Network	<b>13-15</b>
<b>SECTION 7</b>	How to Make the Business Case for B2B Payments	<b>16-17</b>
<b>SECTION 8</b>	<b>Quiz:</b> Is Your Business Ready to Capitalize on B2B Opportunities?	<b>18-19</b>



## SECTION 1

# How to capitalize on today's largest retail opportunity

It happened faster than expected: “The number of B2B digital commerce initiatives now surpasses that of B2C,” according to Gartner.<sup>1</sup> In fact, in their recent report, *Survey Analysis: Digital Commerce Revenue Skyrockets With B2B Surpassing B2C*, they predict that by 2024, “15% of B2B organizations will use digital commerce platforms to support both their customers and sales reps in all sales activities.” And by 2025, they predict, “75% of B2B manufacturers will sell directly to their customers via digital commerce.” In other words, B2B sales will look a whole lot more like B2C purchases, at least on the surface.\*

What does this news mean for large B2C retailers? Simply put, *carpe diem*: seize this opportunity to grow sales from existing B2B customers you may not even know you have, before the competition pulls too far ahead.

## B2B buyers often purchase from B2C retailers

The lines between B2C and B2B merchants have been blurring, and now eCommerce has opened sales to almost anyone with an internet connection. It's not unusual to find B2B buyers using corporate credit cards at retailers that are primarily direct-to-consumer. Fortunately, today's retailers can identify these card-using customers: by working with credit card networks—Visa,<sup>®</sup> Mastercard,<sup>®</sup> American Express, etc.—it's possible to run a report on the BINs used for corporate accounts to uncover what this opportunity might look like for your business.

<sup>1</sup> Gillespie, Penny; Vasudevan, Aditya. *Gartner, Survey Analysis: Digital Commerce Revenue Skyrockets With B2B Surpassing B2C*, Gartner, Aug. 27, 2021.

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The number of B2B buyers in your checkout may surprise you, and they're adjacent to B2C shoppers; in fact, many hidden corporate "buyers" are also B2C customers. From office supplies to snacks to furniture and computers, enterprise and SMB buyers often turn to what we traditionally think of a direct-to-consumer retailers for these types of purchases. Here are some examples:

### **Office Supply Stores**

"Office supplies" can include everything from snacks to toner, giving office suppliers plenty of opportunities to promote these products to B2B audiences. Office supply stores of all sizes can capitalize on this growth opportunity and follow the lead of Staples Canada by implementing a B2B embedded payments system that can meet the unique needs of B2B shoppers and scale as sales grow.

### **Electronics Retailers**

Today's connected offices (and all of their remote employees) need multiple devices, cables, displays, accessories and more. Larger retailers can also sell appliances and TVs, but even smaller electronics specialty stores have plenty of opportunities to build their B2B channels.

### **E-tailers**

Slightly different than eCommerce extensions of brick-and-mortars, e-tailers are digitally native vertical brands—think Bonobos for men's clothing or Solé for unique bicycles. B2B opportunities abound in this category, whether it's selling uniforms, corporate branded bikes or anything else that companies need.

### **Big Box Stores**

From binder clips to bulk food items, enterprise and SMB buyers often shop at big box stores and rely on credit cards for these transactions. But higher-value purchases like ordering new ergonomic desk chairs can add up quickly, and credit cards aren't the best way to pay for big-ticket business purchases.

### **Grocery Stores**

There are lots of organizations that feed large groups—think restaurants, religious institutions, youth groups, sports teams, schools and universities—that don't want to issue corporate credit cards to every employee and volunteer. Catering services can build ongoing B2B relationships through preferred payment methods.



## SECTION 2

# Credit cards won't cut it for larger B2B purchases

So, what if a new hiring wave requires two dozen computers, plus displays and cables and chairs? Credit cards aren't a practical payment option. B2B buying potential and loyalty is limited when buyers don't have a choice besides credit cards.

Plus, credit cards don't offer any meaningful spending controls—it's common for corporate credit cardholders to share their card with a cardless coworker—and monthly billing cycles only offer after-the-fact insights. Businesses need detailed invoicing with PO numbers, billing codes and the ability to integrate into internal accounting systems. Reducing friction is the path to building deeper relationships with business buyers.

These days, business buyers are much savvier about how they expect to pay, thanks to their lives as consumers. Nine out of 10 corporate purchasers research the payment options before buying from a new vendor, especially if they're hoping to negotiate special pricing.<sup>2</sup>

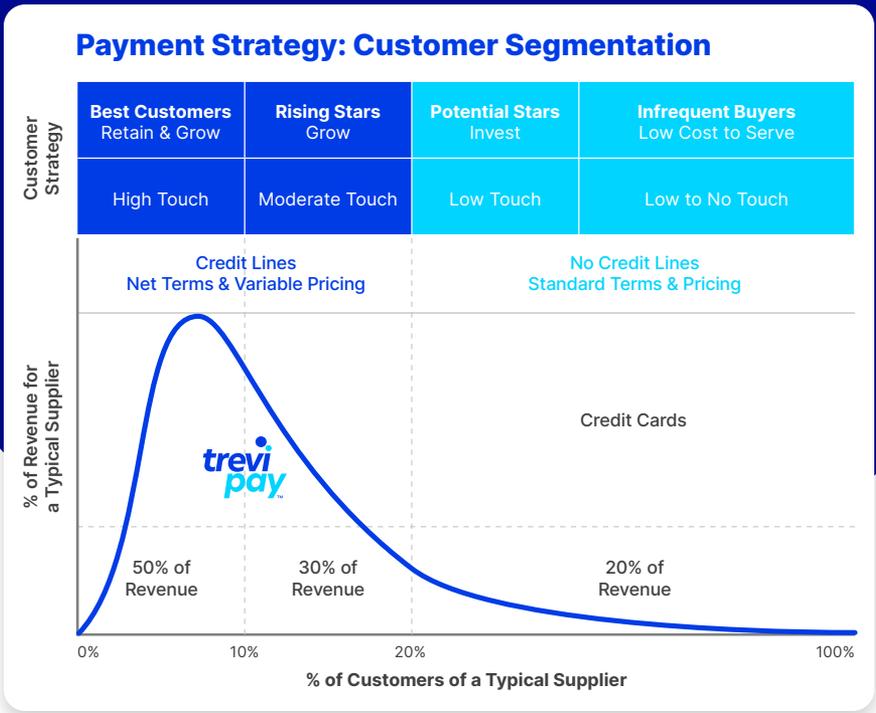
When given the choice, 50% of business buyers prefer to pay with methods other than credit cards,<sup>2</sup> which means they're looking for net terms invoicing, automated onboarding, discounted pricing, credit offerings for repeat purchases and purchase controls.

Large retailers, such as Staples Canada, are forerunners in the B2B technology race, thanks to their decision to capitalize on B2B channels with sleek invoice and payment technology that simplifies larger purchases with net term financing. Today, these digital tools and apps are accessible to retailers of all sizes, so retailers across a wide array of categories can grab their share of this B2B buying potential.

Figure 1, based on TreviPay data, shows the typical growth cycle of B2B sales, including the inflection point where credit cards can't meet buyers' needs—note that 80% of sales opportunities are across that line.

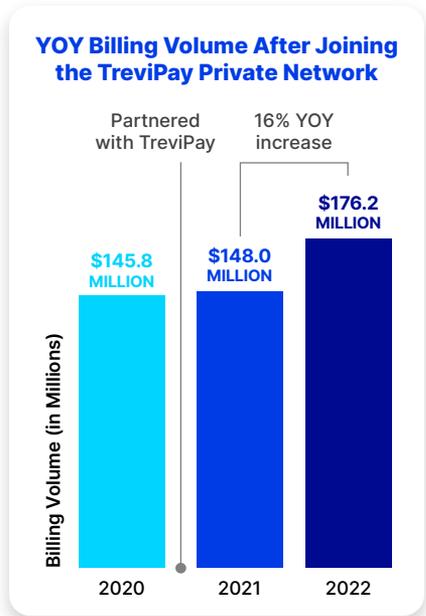
<sup>2</sup> B2B Buyers Report: Why More Payment Options Mean More Purchases, TreviPay, Apr. 17, 2020: <https://www.trevipay.com/resource-center/reports-whitepapers/b2b-buyers-want-net30-terms-at-online-checkout/>

Figure 1.



For example, one large electronics retailer used this graph as a guide to seizing more B2B sales opportunities. Leveraging this knowledge, they knew they had lots of Infrequent Buyers; however, they chose to focus their investment on Potential and Rising Stars for their TreviPay Private Network. The retailer was able to integrate this omnichannel invoicing and payments technology into their legacy systems and, in short order, every store in the North American region was offering business buyers a seamless in-store and online payment and invoicing experience. The result? Year-over-year B2B billing volume increase by 16% (Figure 2).

Figure 2.





## SECTION 3

# Help business customers buy more, more frequently

According to Forrester's latest *Tech Tide Report*, B2B payment augmentation is increasingly critical to companies' ability to win, serve and retain business customers.<sup>3</sup> In addition to adding preferred payment options, retailers should join an established payments and invoicing network that will empower them to offer trade credit to their B2B shoppers: by doing so, retailers get real-time order-to-cash automation—while extending more favorable commercial terms that can accelerate sales.

If B2C retailers can't support the processes and payment methods preferred by B2B buyers, they run the risk of losing the opportunity to serve this audience. Sellers that only accept credit cards may lose significant wallet share and customers to competitors that offer more favorable payment terms. In fact, 82% of business buyers would choose a vendor that offers 30-, 60- or 90-day terms at checkout.<sup>4</sup>

That's why it's time for B2C retailers to invest in the payments and invoicing technology that enables B2B customers to buy more easily and more often. Merchants have an immense opportunity to add or expand a B2B channel to get a share of worldwide retail sales; B2B sales are poised to grow 5% year-over-year to exceed US \$27.33 trillion, according to a 2022 analysis by *Insider Intelligence*.<sup>5</sup>

<sup>3</sup> Liu, Meng; Morgan, Jacob. *The Forrester Tech Tide™: B2B Payment Augmentation*, Q1 2022, Forrester, Mar. 23, 2022: <https://www.forrester.com/report/the-forrester-tech-tide-tm-b2b-payment-augmentation-q1-2022/RES177215>

<sup>4</sup> *B2B Buyers Report: Why More Payment Options Mean More Purchases*, TreviPay, Apr. 17, 2020: <https://www.trevipay.com/resource-center/reports-whitepapers/b2b-buyers-want-net30-terms-at-online-checkout/>

<sup>5</sup> Yuen, Meaghan. *Retail trends: 2022 retail industry stats, trends and forecasts*, Insider Intelligence, Mar. 14, 2022: <https://www.insiderintelligence.com/insights/future-retail-trends-industry-forecast/>

## SECTION 4

# Key indicators that it's time to focus on B2B customers

Aside from researching corporate credit card BINs, retailers can often identify their own inflection points—their pivot-now-or-never timeframes—when B2B opportunities are ripe. Dina Vardouniotis, principal consultant at Payments and Partnerships, pinpoints three common signs:

1

**Frustration bubbles up from the sales floor or customer service reps.** It sounds like, “I could sell X, Y and Z to this company if they can pay us with ...” Vardouniotis describes. This sentence usually ends with “net terms” or “installment payments” when B2B purchase volumes exceed credit card limits or one-time payment practicality.

2

**Queries come from the cashiers.** Current B2B customers who want to increase purchase volumes can trigger innocent inquiries such as, “If Customer X wants to buy a lot more from us, can she pay...?” Here’s an eager buyer who also needs net terms—or will take her big purchases elsewhere.

3

**Well-meaning store managers “cook up” solutions.** “You’d be surprised by the ingenuity,” says Vardouniotis. “I appreciate the desire to solve problems and serve customers.” These workarounds can make sense—for example, keeping a manual record of an “account” outside of the POS system—but ultimately make it hard to balance the books.

## SECTION 5

# B2B payments must invisibly address buyer pain points

Fast, imperceptible risk decisioning secures more buyers by offering the right payment terms and the right credit lines in a split-second. Ultimately, retailers can establish a loyal B2B buyer network; total order values and stickiness naturally increase when these customers know they have omnichannel access to financing any time they need to place an order.

It's also essential to get invoicing terms and data right because invoices need to integrate with the buyer's Procure-to-Pay and Enterprise Resource Planning platforms. Consider important buyer preferences, such as choosing to receive invoices daily, weekly or monthly and their other required details, including PO numbers, that can stimulate trade and reduce costs, friction and disputes.

In Gartner®'s 2021 publication, *Survey Analysis: Digital Commerce Revenue Skyrockets With B2B Surpassing B2C*, the authors sum up the current state of eCommerce expectations, "This means B2B buyers expect the digital commerce platform to understand them and anticipate their needs as a sales representative might do. They expect better tools for researching and comparing products. They want to engage with organizations digitally without having to resort to a call or email to get a quick response and a good deal."<sup>6</sup>



For example, a large grocery chain in APAC had identified more than 100,000 “hidden” B2B buyers and wanted to grab more of the burgeoning B2B market. As this big brand mapped their expectations for a successful expansion, they identified the need for a fully branded, omnichannel—online, in-store and by phone—B2B payments solution that worked seamlessly across their entire family of brands. Through an honest corporate self-assessment, they identified these current B2B buyer pain points that needed to be solved:

### **Onboarding**

With an existing manual credit approval process that took up to 14 days to approve a new B2B buyer, their goal was to reduce the time to less than one day for million-dollar accounts—and even faster for lower-value credit lines.

### **B2B Customer Controls**

Unlike B2C buyers, B2B customers need hierarchical account controls that allow them to manage their card issuance, authorized users, spending limits and more.

### **B2B Product Range**

B2B buyers need larger package sizes and expect to be offered special contract pricing for their purchases, requiring dedicated SKUs and built-in volume discounts.

### **Easy Ordering and Fast Deliveries**

Related to having a designated B2B product range, ordering via the existing B2C system did not allow bulk purchases or standing orders for repeat deliveries. Plus, big orders currently spend up to four days waiting to be custom-boxed because the individual-sized B2C orders are shipped in plastic bags.

### **Check Out**

Customers could not shop online and in-store with the same credit account. Furthermore, this bifurcated buying experience made visibility and business-level reporting nearly impossible.

Investing the time to do this level of discovery can help ensure the best possible B2B customer experience—and reveal non-payment pain points such as lack of bulk packaging and delayed deliveries.

© Gillespie, Penny; Vasudevan, Aditya. Gartner, Survey Analysis: Digital Commerce Revenue Skyrockets With B2B Surpassing B2C, Gartner, Aug. 27, 2021



## **B2B payments must also be omnichannel**

Reducing the manual processes associated with decisioning, onboarding, invoicing, reconciliation, disputes and collections are all critical for B2B retailers that want to grow a loyal relationship with today's buyer. So is offering the same level of omnichannel purchasing experience that B2C customers have come to expect.

Wearing the dual hats of consumer and business customers, today's B2B buyer might research online, pop into a store days later to see an item in person, then walk out and make the purchase on an app while grabbing a coffee next door. That's why it's imperative to have a truly mobile B2B payment experience.

In 2021, Staples Canada implemented a new B2B payments strategy. It included both physical cards and a mobile payment and invoicing app—and these payments are accepted in all of its 300-plus brick-and-mortars. Without any need for POS hardware upgrades, this app has allowed Staples' business buyers to complete a purchase in an instant, leading to a frictionless checkout. Purchase details and terms are sent directly to the buyers' AP department, offering a clear, real-time ability to monitor transaction details through the app's administrator portal.

## SECTION 6

# Outsource fraud mitigation

It's the nature of B2B eCommerce that, as global online sales increase, fraud is likely to increase. There is a growing risk of business identity theft, shell companies, stolen employee identities, account takeovers and other forms of digital fraud. These days, sophisticated detection and prevention processes are absolutely mandatory for companies of all sizes.

During a recent Digital Commerce 360 panel discussion, Adam Coyle, former CEO of Digital River said, "If you don't think you have a fraud problem, you have a fraud problem. The point I would make is, as you think about expanding online, you need to think about really working with experts and or third parties who can help you in that regard."<sup>7</sup>

The good news is that today's best payment and invoicing networks can help mitigate fraud. These partners offer machine-learning processes and should be able to boast a strong track record for risk decisioning. Expect absorption of fraud risk and rich data to identify when to accelerate or pump the brakes, too.

<sup>7</sup> Faul, Michelle. Learn more about the hidden solution driving B2B eCommerce innovation, TreviPay, Dec. 6, 2021: <https://www.trevipay.com/resource-center/blog/best-b2b-e-commerce-platform-payments/>

# The cost of outsourcing vs. the cost of lost sales

In some cases, retailers opt to move beyond their existing payment processing solution by partnering with banks. As far as standard banking support goes, most transactions are limited to revolving accounts or pay-in-full financing and don't include infrastructure to do line-item reconciliation.

Luckily, today's best payments and invoicing companies can plug in quickly to take the risk and headache out of expanding digital B2B commerce sales. Plus, these partners can handle all-things-payments from risk decisioning to collections—a huge lift that covers all the most important B2B buying needs. They have invested in the technology, built the networks and understand how to package up instant risk decisioning so a B2B payment feels like a B2C payment. In fact, these B2B embedded payments partners offer all the top Invest and Maintain recommendations from the Forrester Q1 2022 *Tech Tide™: B2B Payment Augmentation*.<sup>8</sup>

<sup>8</sup> Liu, Meng; Morgan, Jacob. *The Forrester Tech Tide™: B2B Payment Augmentation, Q1 2022*, Forrester, Mar. 23, 2022: <https://www.forrester.com/report/the-forrester-tech-tide-tm-b2b-payment-augmentation-q1-2022/RES177215>



<p><b>High Business Value</b></p>	<p><b>Invest</b></p> <ul style="list-style-type: none"> <li>• Accounts receivable (AR) automation</li> <li>• B2B Financing</li> <li>• Digital procurement card and virtual assistance</li> </ul>	<p><b>Maintain</b></p> <ul style="list-style-type: none"> <li>• Accounts payable (AP) automation</li> <li>• Billing and recurring payments</li> <li>• Cash and treasury management</li> <li>• Cross-border payments</li> <li>• Fraud and risk management</li> <li>• Platform payments</li> </ul>
<p><b>Low Business Value</b></p>	<p><b>Experiment</b></p> <ul style="list-style-type: none"> <li>• Business buy now, pay later</li> <li>• Open banking payment solutions</li> <li>• Request to pay (R2P)</li> </ul>	<p><b>Divest</b></p> <ul style="list-style-type: none"> <li>• Digital check management</li> <li>• Travel and expense (T&amp;E) management automation</li> </ul>
<p>Low Maturity</p>		<p>High Maturity</p>

All in, outsourcing to a B2B invoicing and payments network is typically more cost-efficient—both in terms of people hours and related expenses—than manual processes or DIY solutions. Factor in lost sales while in-house IT teams are coding as fast as they can, and the price of doing it yourself can add up quickly.

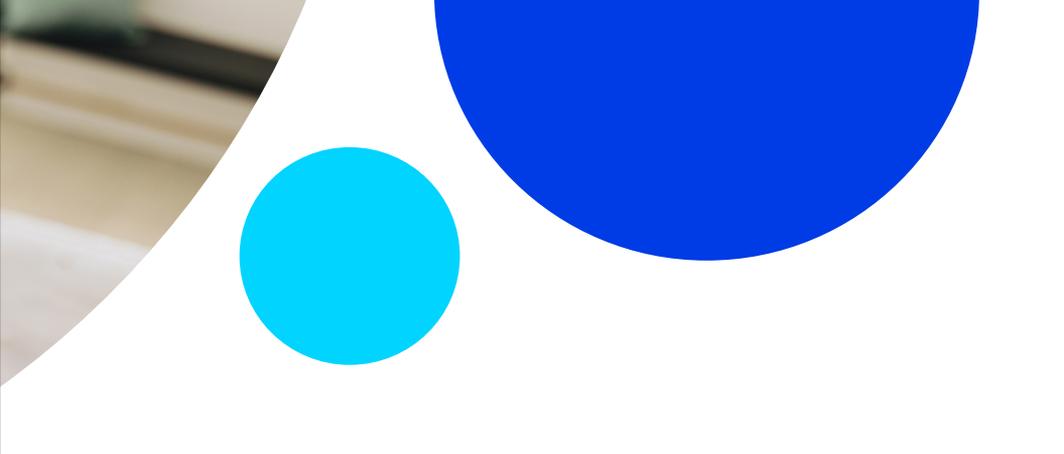


## SECTION 7

# Making a business case for a B2B investment

Payments can be used to create or tap into trusted B2B buyer-seller networks that enhance efficiencies, reduce costs and expand recurring opportunities. Joining such a network can optimize trade and loyalty—leading to quicker conversions, repeat sales and growth in AOV. Here are the top three considerations that can be used for the projections to make a business case.

- Exclusive payment and invoicing terms within the network enable retailers to build a more profitable and loyal network of B2B buyers.
- Connecting retailers and corporate buyers in networks where trade is empowered drastically reduces the costs of doing business.
- Meeting invoice requirements, offering net terms and implementing agreed-upon spending controls means trade flows freely without costly manual work-arounds in either Accounts Receivable or Accounts Payable departments.



## What are the costs of not doing B2B business?

When done right, it isn't just adding B2B payments, it's connecting B2B buyers to your brand in a closed-loop network where trade is empowered and both friction and the costs of doing business are drastically reduced.

If retailers can't support the processes and methods of payment preferred by B2B buyers, they run the risk of losing the opportunity to serve this audience. And that's a risky loss: the B2B eCommerce market was valued at \$7.35 Trillion in 2020 and is predicted to create revenue of roughly \$18.57 Trillion by the end of 2026. That adds up to a CAGR of roughly 19% between 2021 and 2026.<sup>9</sup>

If it's time to create a more profitable and loyal trading relationship with your business buyers, **join one of TreviPay's Global Payments & Invoicing Networks today.**

<sup>9</sup> Demand for Global Business-to-Business E-commerce Market Size to Surpass USD 18.57 Trillion by 2026, Exhibit a CAGR of 18.70% | Global Business-to-Business (B2B) E-commerce Industry Trends, Share, Analysis & Forecast Report by FnF, Facts & Factors, Aug. 31, 2022: <https://www.globenewswire.com/news-release/2022/08/31/2507922/0/en/Demand-for-Global-Business-to-Business-E-commerce-Market-Size-to-Surpass-USD-18-57-Trillion-by-2026-Exhibit-a-CAGR-of-18-70-Global-Business-to-Business-B2B-E-commerce-Industry-Tren.html>

## SECTION 8

# Quiz: Is Your Business Ready to Capitalize on B2B Opportunities?

Take a minute to answer True or False to each of these statements. At the end, you'll tally up your score and see your results.

True False

- 1. The sales associates at my company are frustrated because they have to turn away big orders from companies.
- 2. Our customer service representatives get requests from businesses to negotiate special prices for bulk orders that reps don't have the authority or tools to do.
- 3. At the store level, managers are making more and more one-off financial arrangements with B2B customers.
- 4. Cashiers get questions about corporate bulk purchases, but they don't follow up because they think, "We don't do that."
- 5. We solve a billing problem for one company, but can't replicate it for other accounts.
- 6. Our A/R team is too small to manage trade accounts that require credit assessments, onboarding, invoicing and collections.
- 7. Our social media team gets questions about corporate purchases, and they pass them to the customer service team.
- 8. We know we have business customers but they buy through our customer channels and are paying with credit cards.
- 9. We are planning to use the same bank card solution we use for consumers for our business customers.
- 10. We know we have business buyers, but don't know how to set up a program for businesses.



# Results

Now, tally up your True answers to assess the signs that your company is ready to target the B2B market.

## 0 to 3 True

B2B opportunities are just starting to surface for your company, and it's a perfect time to test some B2B marketing to start gaining momentum. It's also a perfect time to get ready for B2B sales by putting the proper payments and invoicing network in place.

## 4 to 7 True

Your company is in a perfect spot to pursue B2B sales in earnest. Use current buyers to create Ideal Customer Personas, and then make sure you promote your new payments and invoicing network to reassure them that you are open for B2B transactions.

## 8 to 10 True

Not only does your brand have immense B2B sales potential, it already has a busy B2B sales channel that's organically growing out from under you. It's definitely time to invest in automating B2B invoicing and payments.

### Ready to learn more?

Join the TreviPay Global Network to add the seamless B2B payments and invoicing your store needs to capitalize on your B2B opportunities.



[TreviPay.com](https://TreviPay.com)