

Marketing & Sales Practice

Busting the five biggest B2B e-commerce myths

The leading edge for successful B2B sales growth is digital.
Here's why.

by Manu Bangia, Liz Harrison, Candace Lun Plotkin, and Kate Pivonski



Once seen as secondary to in-person sales, the e-commerce channel has rocketed to the forefront since 2020 and is now a key purchasing gateway for many corporate buyers.

Despite this, misconceptions abound, with a number of B2B companies telling us that “customers aren’t ready” and “e-commerce is an immature space for businesses like ours.”

McKinsey & Company’s latest B2B Pulse helps put these notions squarely to rest. Not only are corporate buyers open to e-commerce, two-thirds now rely on digital and remote channels throughout their purchasing journey. While some B2B companies see e-commerce as the purview of cutting-edge tech players, the reality is that suppliers across industries are ramping up their capabilities at astonishing speeds.

The conventional wisdom around B2B e-commerce is due for a reset. These charts expose five prevailing myths.

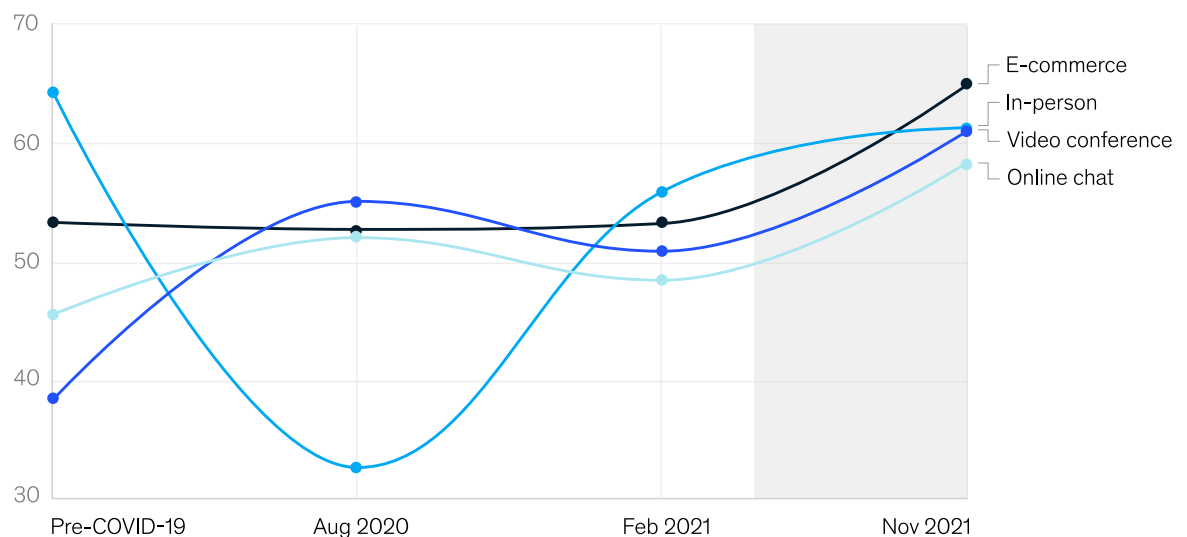
Myth #1: Most B2B companies don’t offer e-commerce

Wrong. Nearly two-thirds (65 percent) of B2B companies across industry sectors now offer e-commerce capabilities, defined as fully executing a sales transaction online. This is up from 53 percent in early 2021. Spurred by the massive wave in digital adoption over the past two years, sellers have accelerated their digital timetables. In a remarkable first, B2B sellers are now more likely to offer e-commerce channels than in-person selling, an uptick that accelerated even as widespread vaccine rollouts allowed face-to-face interactions to resume (Exhibit 1).

Exhibit 1

For the first time, B2B sellers are more likely to offer e-commerce channels than in-person selling.

Channels offered by B2B sellers,¹ % of respondents, US only



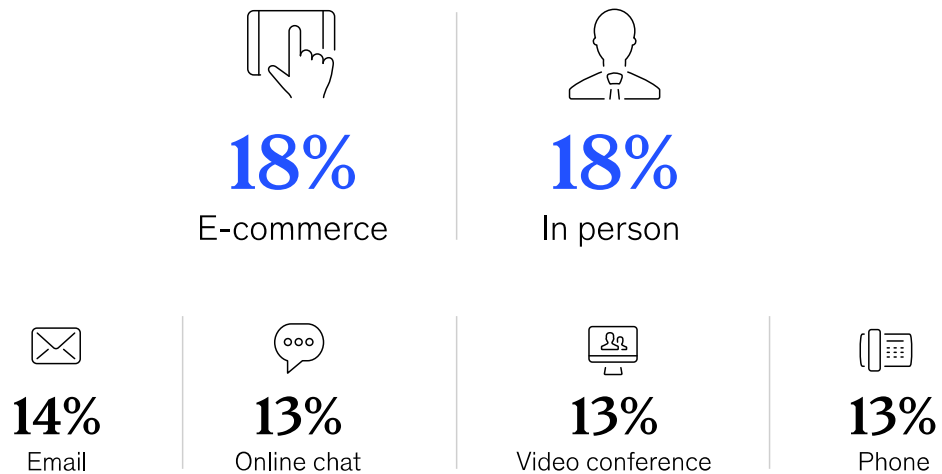
¹Q: In what ways is your company’s product or service sold today? Phone and email channels not shown (each flat at ~50%). Source: McKinsey & Company Global B2B Pulse, Jan 2019–Nov 2021

Overwhelming customer demand is a key reason for this uptick. Our research shows that e-commerce now drives more than 18 percent of all revenue for the average B2B company, putting it on par with in-person sales and ahead of all other channels (Exhibit 2).

Exhibit 2

B2B customers are voting with their dollars: e-commerce and in-person sales are tied as the top-producing revenue channels.

Highest-revenue-driving sales models,¹ % of B2B respondents



¹ Q: Approximately what percentage of your company's revenue today is driven by each of these sales channels?
Source: McKinsey & Company Global B2B Pulse, Nov 2021, n = 602

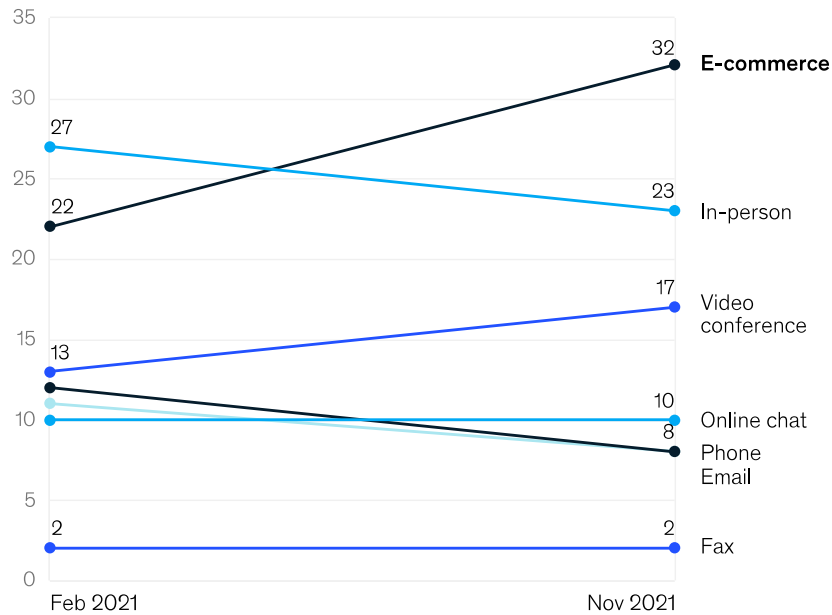
Myth #2: B2B buyers prefer face-to-face interactions

Not so. Two-thirds of corporate customers intentionally reach for digital or remote in-person engagement when given a choice. Moreover, they're doing so at every stage of the purchasing journey. In all, e-commerce has surpassed in-person as the single most effective channel (Exhibit 3).

Exhibit 3

E-commerce is the most effective sales channel for a plurality of B2Bs.

Effectiveness of sales channels,¹ % of respondents who identified channel as their most effective, US only



E-commerce has now surpassed in-person as the single most effective channel.

¹ Q: How effective are each of these sales channels for your company? Responses are % who ranked the given channel "1," indicating that it is the most effective of any channels the respondent's company sells through.
Source: McKinsey & Company Global B2B Pulse, Feb 2021, n = 562; Nov 2021, n = 602

Online chat is also becoming a mainstay, with more than 50 percent of B2B companies now providing this feature, and adoption of video conferencing also continuing to increase. For top B2B companies, it's becoming clear that these elements are crucial aids to customer decision making and lift the buyer-seller interaction beyond the transactional.

Myth #3: Just a basic e-commerce site can suffice

False. Our research shows that the majority of B2B companies are treating e-commerce as a full-service channel—and investing accordingly. While proponents of this myth take a “slow and steady” approach to their e-commerce build-out on the assumption that developing digital capabilities and managing channel conflict makes it necessary, the rest of the field is tackling these issues head on. More than 80 percent say they hold their e-commerce channel to the same or higher standard as other channels and that it offers the same or better levels of excellence in product and service availability, pricing, performance guarantees, shipping and delivery, and personalized recommendations (Exhibit 4).

Exhibit 4

B2B companies are pulling out the stops for e-commerce: 80 percent are making their online channels as good or better than offline ones.

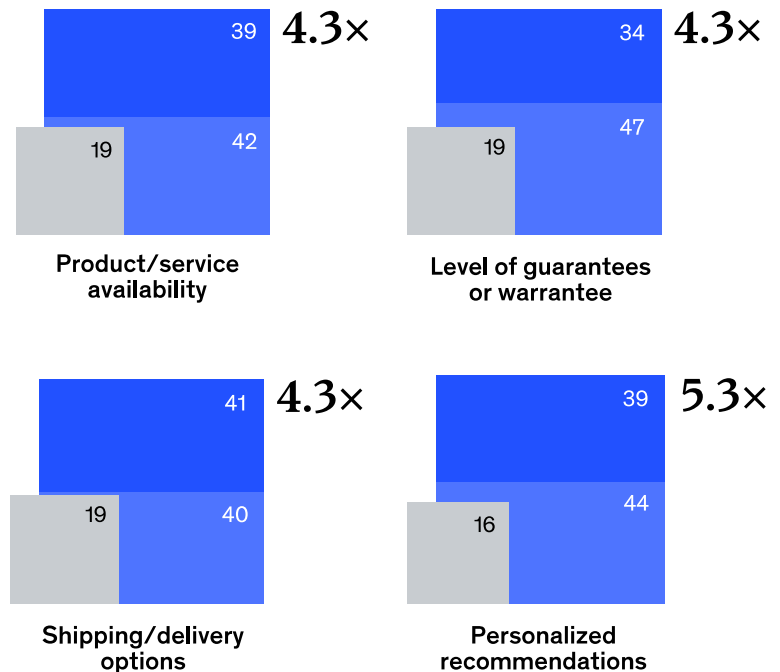
How B2B companies have set up their e-commerce channel compared to offline channels¹

% of B2B respondents

■ Less appealing ■ Same ■ More appealing

Across multiple tested customer experience dimensions, B2B companies are ensuring their e-commerce channel is appealing.

Overall, ~40% have created an e-commerce channel that is likely to be MORE appealing than offline options, with another 40% reporting that e-commerce is at least on par with in-person or other more traditional channels.



¹ Q: We would like to understand how your company approaches selling products/services online (e-commerce). Respondents were given 3 options: "e-commerce limited/not as appealing vs. offline channels"; "e-commerce same as offline channels"; "e-commerce better than/more appealing vs. offline channels." Source: McKinsey & Company Global B2B Pulse, Nov 2021, n = 602

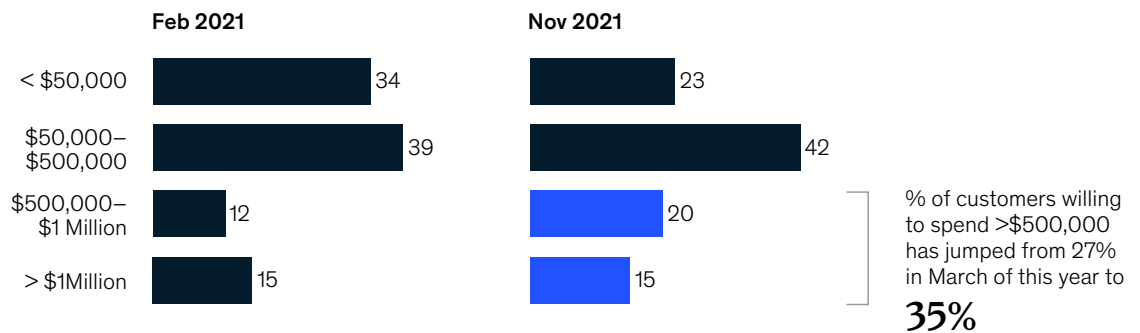
Myth #4: E-commerce is only for repeat or low-ticket purchases

Not anymore. Business buyers have shed whatever concerns they may once have had about completing major transactions online. More than one-third (35 percent) now say they are willing to spend \$500,000 or more in a single transaction on digital channels, a figure that has grown steadily over the past 12 months, and a whopping 15 percent of corporate decision makers are comfortable making purchases worth more than \$1 million online (Exhibit 5).

Exhibit 5

Remote and self-service are not just for low-value purchases; a majority of buyers are willing to spend \$50,000 or more.

Maximum order value through digital self-service and remote human interactions for a new product or service,¹ % of respondents, US only²



Myth #5: Digital marketplaces are a next-level 'nice-to-have'

B2B buyers say the opposite. They see digital marketplaces as an important part of the purchasing mix. A sizable 60 percent of B2B buyers indicate they are open to purchasing on digital marketplaces, roughly the same percentage as those who buy from supplier-branded websites (64 percent) (Exhibit 6).

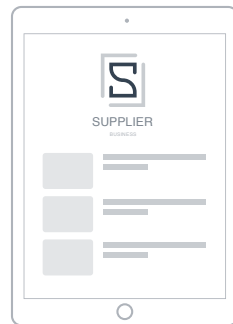
Rather than seeing marketplaces as an afterthought, close to one in five B2B companies have already built one, either directly or through partnerships, and another 60 percent are in the process of doing so.

Exhibit 6

B2B companies are actively investing in marketplaces, and this is exactly what customers want.

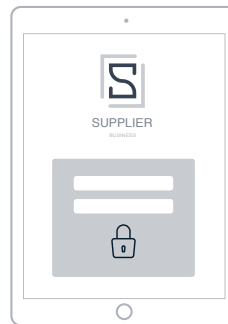
Comfort level with an online purchase across multiple types of websites¹

% of B2B customers



56%

Supplier website



64%

Supplier website
with a paywall



60%

Marketplace

79% of suppliers have built, are planning to build, or are considering building a marketplace

¹ Q: Please rate your degree of comfort with each of the following online purchasing (e-commerce) options. Chart shows total of those selecting 4 or 5 on a scale of "1 = not comfortable" to "5 = very comfortable."

Source: McKinsey & Company Global B2B Pulse, Nov 2021, n = 602

The performance bar is likely only going to get higher as leading B2B companies stretch their capabilities and refine their approaches. This is the time for B2B sales leaders to set aside outdated myths and embrace these five actions:

1. ***Lean into B2B e-commerce or be sidelined:*** With potentially a third of sales at stake, e-commerce is a vital lynchpin for continued B2B revenue growth. If you don't currently offer an online sales channel, ramp up that capability now.
2. ***Win the journey, not just the transaction:*** Corporate decision makers are turning to e-commerce at every stage of the buying process, from research to reorders, and will walk away if the experience doesn't deliver what they need.
3. ***Don't settle for easy:*** Rather than being daunted by learning curves, tackle them methodically, prioritizing critical capabilities and partnering closely with key distributors.
4. ***Design your site with million-dollar transactions in mind:*** Treat e-commerce as a full-service destination and design the online experience to support big- and small-ticket sales.
5. ***Recognize that e-commerce is an ecosystem play:*** Leading B2Bs maximize their online "surface area," recognizing that the more avenues they can use to get in front of customers, the better. A well-rounded e-commerce presence will include a specific marketplace and partner strategy.

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