



B2B ECOMMERCE PREDICTIONS

As customer expectations continue to evolve and business pressure to focus on the connected consumer increases, the ability to deliver compelling digital experiences will become even more important. Businesses will need to prioritize agility and speed in order to keep up with this new generation of digital buyers.

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At the end of the year, it’s common to look back on all of the accomplishments, changes, and hurdles that have happened.

And as we come to the end of another decade, it’s important to take note of the innovations, strategies, and developments that shaped the last ten years in order to get a picture of what the next ten might look like.

Before we jump into the biggest predictions of 2020, let’s revisit what led us to where we are today.

// 2010s

The beginning of true modern technology

Technology-driven change has made a profound impact on all aspects of life - from how we communicate to how we do business. Because of the way that technology has become ingrained in everyday life, it's sometimes hard to realize just how far we've come in the last decade.

For technology and business, a decade can mean exponential innovation, advancements, and disruption.



HERE ARE SOME OF THE BIGGEST BUSINESS HEADLINES OF THE YEAR 2010:

Facebook Hits 500 Million Users¹

The world's largest social network hit 500 million users in 2010. Today, over 2.5 billion² users log on each month and the platform has become an integral part of business operations, from advertising to customer service.

READ

General Motors Goes Public³

In the largest ever IPO, General Motors goes public with a \$20.1 billion valuation. Last year, Uber, the company that disrupted the ride sharing industry, went public with a \$75.5 billion valuation. More and more flagship industries are being shook up by tech companies.

READ

First Gen iPad Released⁴

What's now a staple for many sales reps, both in the field and in offices, didn't exist a mere 10 years ago. The handheld device has changed B2B businesses forever, and forced many to update their eCommerce to be omni-device.

READ 

While these events happened only 10 years ago, they seem like eons from where we are today.

Let's take a look at some of the most notable technological advancements of the past decade.

// NOTABLE TECHNOLOGICAL ADVANCEMENTS OF THE LAST DECADE:

CONNECTED CONSUMERS

In the past 10 years, nothing has changed more than the connectivity amongst buyers and how that has affected the way business is done.

Since 2010, internet usage has grown from 1.9 billion⁶ users to almost 4.5 billion⁷, and the internet isn't confined to a desktop computer anymore. People often have multiple connected devices - laptops, tablets, and smartphones - that they use to do everything from post on social media, search for product information, and send work emails.

41% of B2B buyers say self-service functionality would make it easier to do business online, in addition to pricing on the website (44%) and easy scheduling with a salesperson (37%) *(Episerver)*⁵

The age old saying, "The customer is king" was solidified over the last decade. More and more, you hear about how for B2B businesses, you either take a customer-centric approach or you will fail.

// NOTABLE TECHNOLOGICAL ADVANCEMENTS OF THE LAST DECADE:

ARTIFICIAL INTELLIGENCE & MACHINE LEARNING

Artificial Intelligence, or AI, has been one of the most talked-about buzzwords in the technology community within the last decade. Its rise was quick - already being integrated into daily life and how businesses are run. However, it's just the tip of the iceberg and more advancements will be made in the coming years.

AI spending is expected to total \$35.8 billion in 2019, a 44% jump from 2018 [\(IDC\)](#)⁸



Today, B2B businesses have begun adopting AI and machine learning in many ways, including tailored and personalized B2B marketing and in “Smart Processes” in manufacturing.

// NOTABLE TECHNOLOGICAL ADVANCEMENTS OF THE LAST DECADE:

BLOCKCHAIN

Blockchain Definition: A blockchain is a digital, public ledger that records online transactions.

(Bankrate)⁹

When most people think of blockchain technology, their mind immediately goes to cryptocurrencies. However, blockchain is so much more than just trading Bitcoin. Blockchain is disrupting how B2B businesses track and keep data secure. B2B businesses are using blockchain in complex and unique ways, from tracking orders throughout the supply chain to providing new ways of payment to customers.

VOICE SEARCH

The growth of voice search came on rapidly and adoption has been widespread in recent years. Between “Alexa”, “Siri” and “Hello Google”, consumers have integrated voice search into daily life. This has translated into the business world as well. With massive product catalogs, search is very important to B2B businesses. These businesses are beginning to realize that taking the next step to voice search is necessary in order to remain relevant and meet evolving customer needs.

20% of all Google searches are voice searches.

(Google)¹⁰





These technological advancements have helped shape the business landscape of today. Constant innovation is the standard, and those that fail to adopt and contribute will struggle to keep up. This is especially true for the B2B world. B2B businesses can no longer afford to stick with the status quo, they must infuse technology into the core of operations and use it to propel forward - most notably in their eCommerce strategies.

Throughout the last decade, the B2B industry and eCommerce has begun the journey of digital transformation. Today, B2B leaders are facing failing technologies at the end of life, siloed disconnected systems, and meeting evolving customer demands. CIOs and digital leaders are leading the digital transformation charge. In order to stay competitive, B2B businesses need to embrace new technologies and work hard to create a culture of innovation.

So, the question remains:

WHAT CAN B2B BUSINESSES LEARN FROM THE PAST IN ORDER TO PROPEL THEM ALONG THEIR DIGITAL TRANSFORMATION?

Two-thirds of global CEOs will start focusing on digital strategies to improve customer experience by the end of 2019. [\(Seagate\)](#)¹¹

44% of companies have already moved to a digital-first approach for customer experience. [\(IDG\)](#)¹²

50% of B2B decision-makers lack funding from senior management to execute digital transformation programs. 57% agree their company has a culture resistant to change and new digital technologies. [\(Episerver\)](#)¹³

5 B2B ECOMMERCE PREDICTIONS FOR 2020

Marketplaces will gain momentum across various B2B industries and categories.

Security will be at the top of the priority list

Headless Technology & APIs will lead the way for modern eCommerce experiences

The difference between Cloud Hosted vs Cloud Native will become more important

B2B businesses will use Internet of Things in new ways



// MARKETPLACES WILL GAIN MOMENTUM ACROSS VARIOUS B2B INDUSTRIES AND CATEGORIES.

The rise of marketplaces is set to continue to disrupt the way that B2B businesses think about eCommerce. A B2B [marketplace](#)¹⁴ is an online procurement network that allows an approved group of suppliers to offer products to an approved group of buyers. The decision on who is approved to do business in the marketplace is made by a marketplace sponsor, or operator. The sponsor sets rules on what can be purchased, by whom, and at what price, enabling procurement decisions to be automated.

B2B marketplaces make sense for businesses that are trying to provide a modern purchasing process that is mobile, transparent, cost-effective, intelligent and easy-to-use for both the buyers and the suppliers.

Marketplaces are not necessarily a new business model - they've been around for centuries. Having evolved from vendors trading and buying common goods, to a new way to facilitate business transactions. Online marketplaces have been and will continue to be the most talked about and impactful B2B eCommerce trend for years to come.

In fact, according to research firm [IBe TSD](#)¹⁵, B2B online marketplaces will account for about 30% of all worldwide online B2B sales by 2024 up from 7.7% in 2020. Research firm, [Forrester](#)¹⁶, predicts that “marketplaces will drive the demand for tools and talent” within B2B enterprises as customers express their preference for making purchases within marketplace environments. They predict that this will create a rise in the need for “builders,” within these organizations, and for tools, like API-first commerce platforms with pre-built marketplace functionalities.

As we enter this new decade, we'll see a rise in B2B marketplaces. We'll see them publicly, as we have in the B2C space with forums like Amazon, Wayfair, and Expedia. But we'll also see this privately as B2B enterprises realize their unique opportunity to connect their supply side to their buy side behind the scenes - think franchise networks, multi-location retailers, hospital systems, and beyond.

// SECURITY WILL BE AT THE TOP OF THE PRIORITY LIST

2019 news was dominated by stories of security and compliance risks and failures. Today's B2B businesses not only need to understand the latest security and compliance laws and regulations, but they need to proactively keep security at the core of their digital transformation strategy.

When it comes to B2B eCommerce, businesses have a unique challenge when it comes to security. They must have security processes and procedures in place to keep their data secure and comply with regulations, but they must also meet their customers, and customer's customers, requirements.

In 2020, we'll see vendor security highest on B2B businesses' priority list.

Here are 5 security standards vendors should comply with in 2020:

// **PCI Compliance** - [Payment Card Industry \(PCI\)](#)¹⁷ standards are set to ensure businesses keep cardholder data safe.

// **GDPR** - [General Data Protection Regulation \(GDPR\)](#)¹⁸ requires businesses to protect European Union citizen data for transactions that occur within the EU. This is important for US B2B businesses to keep in mind, as an order that is placed online in the EU must comply with these standards.

// **CCPA** - [The California Consumer Privacy Act \(CCPA\)](#)¹⁹, the newest privacy regulation, gives California residents more control over what data businesses can collect and what is done with that data.

// **Authentication Factors** - [Two factor or multi-factor authentication](#)²⁰ requires a user to provide at least one additional form of identification, like a security question or sms code, when logging in to an eCommerce site other than a username and password. Adding authentication factors gives your eCommerce site an extra layer of security for those who are logging in.

// **HTTPS** - [HTTPS](#)²¹ websites are more secure as they require an SSL certificate. Ensuring your eCommerce site is secure is important because it means customer data is protected and cyber attack risk is reduced.

// HEADLESS TECHNOLOGY & APIS WILL LEAD THE WAY FOR MODERN ECOMMERCE EXPERIENCES

For years, B2B businesses were handcuffed to traditional software, being forced to use antiquated systems because of the inherent complexities that come along with B2B business operations. However, that's no longer the case. B2B businesses can now take advantage of headless, API-first eCommerce to transform their businesses digitally.

Research firm, [Forrester](#)²², recently predicted that in 2020 we'll see headless eCommerce become the new default.

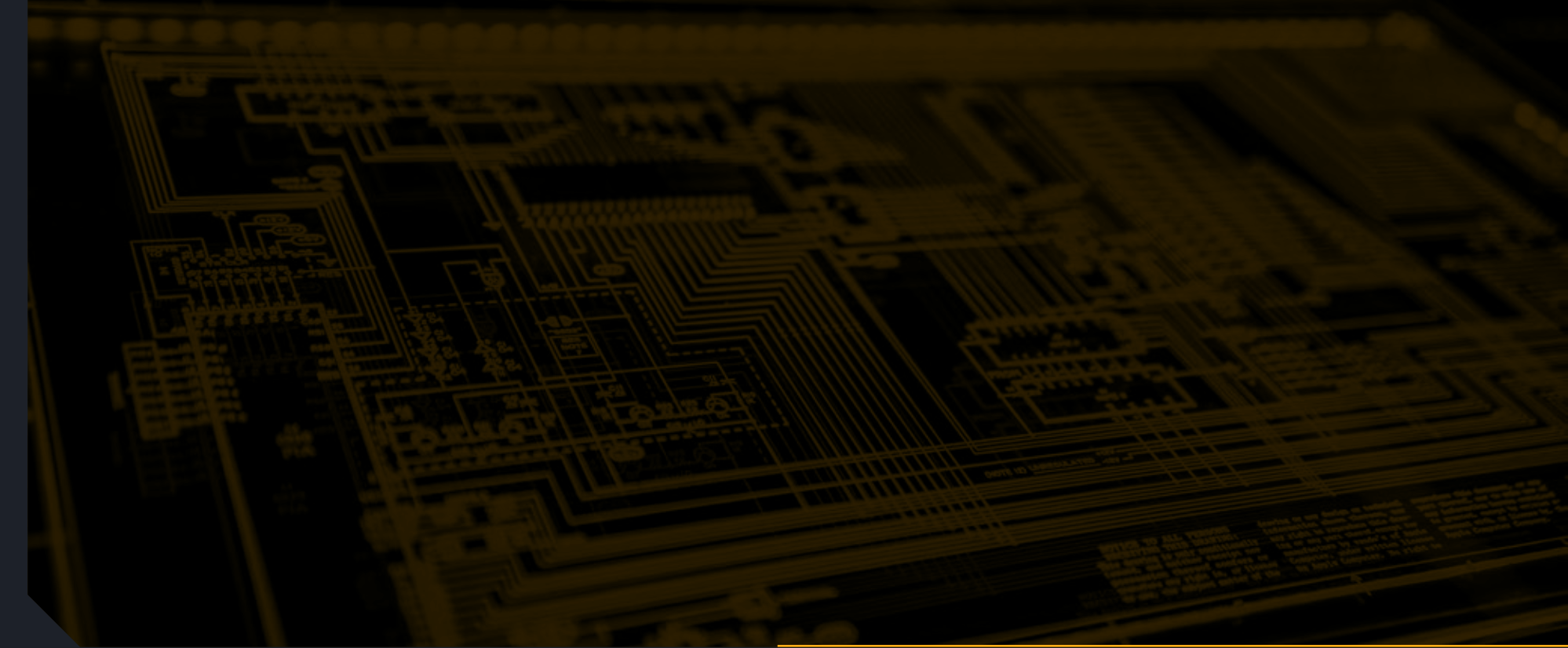
[Headless eCommerce](#)²³ platforms are characterized by the absence of the front-end or the "head." Headless eCommerce platforms decouple the user interface from the back-end, making it possible for you to customize the experience to a whole new degree. They also allow for the creation of custom SaaS applications at a fraction of the time and cost of any previous method.

With headless eCommerce, you are free to develop any front-end experience you want to and can call the complex eCommerce functionality from the backend via APIs.

APIs are the common language or communication protocol that allows different applications or software to speak or interact with each other. According to [Harvard Business Review](#)²⁴, APIs have become so essential to businesses that 85% consider web APIs and API-based integration fundamental to their business strategy and continued success. For B2B businesses, APIs make choosing the best of breed systems that are right for your business much easier. You can choose an API-first CMS, ERP and eCommerce and integrate the three to create a custom solution.

Combined, headless technology and APIs allow even the most complex B2B business to build an application that is completely custom and solves the exact problems that need to be solved. Integrating a headless, API-first eCommerce platform to other API-first business critical applications give B2B businesses the ability to move faster, be more agile, and continuously innovate. We'll see businesses reassess their technology stacks as we enter 2020, with headless eCommerce and APIs becoming front runners.

// THE DIFFERENCE BETWEEN CLOUD HOSTED VS CLOUD NATIVE WILL BECOME MORE IMPORTANT



What was once an emerging technology trend that B2B businesses hoped to one day implement, the cloud has become a standard for modern eCommerce. While the cloud is no longer an emerging trend, it's still going to be essential for continued B2B eCommerce success. The adoption of the cloud is still growing as more businesses see the value and migrate more of their business systems to a cloud solution.

We predict that in 2020, there will be more focus on the difference between eCommerce that is cloud-hosted versus cloud-native.

Cloud Hosted: Cloud hosted applications are those that were built as traditional, server-based software that has been modified to run in the cloud. Often times, the technology provider takes the applications to a cloud host - either off-premise on a physical server or virtual machine. While the cloud-hosted applications are more agile than traditional software, there are still limitations. With any update or change, the cloud host needs to individually implement those changes for each instance of the application. B2B businesses have less control over the application over managing the code on their own.

Cloud Native: Cloud native applications are those that were created from the ground up to take full advantage of the cloud. These applications were built for and emanate from the cloud and take advantage of other cloud native tools. Cloud native applications are characterized by their multi-tenancy, or that a single, secure, shared database serves many clients. Cloud native applications allow for much faster set-up and deployment, greater flexibility and stability. The provider takes on the responsibility of managing the database, but customers can easily customize their application as needed.

In order to keep pace with evolving technology, changing customer preferences, and meeting digital transformation strategies, future looking B2B businesses will choose cloud native. Not all cloud applications are built the same, and cloud native applications allow B2B businesses to move faster, respond to customer needs easier, and innovate continuously.



// B2B BUSINESSES WILL USE INTERNET OF THINGS IN NEW WAYS

Going back to one of the biggest technology trends of the last decade - the connected consumer - today's B2B buyers expect modern user experiences that are accessible at any time, from anywhere and on any device. In 2020, B2B businesses need to be able to meet their customers, and their customers' customers, expectations when it comes to eCommerce, order management and online marketplaces.

Similar to the connected consumer, the rise of Internet of Things (IoT) will be taken to a new level in 2020.

Internet of Things²⁵: The concept of connecting any device, or part of the device, to the internet at any time. This includes devices such as smartphones to tablets, fridges to cars, and airline engine parts to manufacturing drills.

As we enter 2020, we'll see B2B IoT go beyond just connecting smartphones and tablets for customers' customers to new devices that help drive efficiency in operations.

IoT Sensors - A unique way that B2B businesses can take advantage of IoT is through sensors. Connected sensors can be used on both the customer and supplier side of business operations to do essentially the same thing - monitor stock and automatically reorder products when inventory gets to a certain level. For example, a fuel tank could be fitted with a sensor that monitors the amount of fluid at all times and when the level reaches a certain point, the IoT device is triggered to reorder the fuel to be delivered.

Headless, API-first technology that is device-agnostic is the key to leveraging IoT within your business' digital transformation strategy.

HOW B2B BUSINESSES WILL SUCCEED IN 2020 AND BEYOND

As customer expectations continue to evolve and business pressure to focus on the connected consumer increases, your ability to deliver compelling digital experiences will become even more important. Businesses will need to prioritize agility and speed in order to keep up with this new generation of digital buyers.

In the quest to remain (or become) successful and compete effectively in this new decade, we'll see more and more businesses focus on replatforming. Businesses will face the facts - they simply can't move forward at the pace they need to while handcuffed by traditional, monolithic platforms.

This will drive the adoption of and demand for headless, API-first platforms that enable businesses to join the B2B marketplace and IoT game. Cloud-native technologies will support enterprises need for scale and security as these new business practices and models propel them into whatever is next in this new decade.

FOUR51 IS ECOMMERCE DELIVERED.

Complex businesses rely on Four51 to deliver custom B2B eCommerce, Order Management, and Online Marketplace experiences that drive game-changing results.

HEADLESS ECOMMERCE PLATFORM

Customizations are table-stakes. Technology to fit your business, and not the other way around.

APIs AT OUR CORE

Integrate existing systems and data. Make your IT systems more responsive and adaptable. Expose data across numerous systems, both legacy and modern.

CLOUD-NATIVE

Unlimited scalability with all the cost savings that entails. Eliminate concerns about infrastructure, data storage, security & scalability.

ACCELERATE TIME-TO-MARKET

Get to market faster, prepared for expansion and iteration.

20+ YEARS OF EXPERIENCE

Gain a partner dedicated to driving the results you expect.

INFINITE POSSIBILITIES

Be prepared for commerce of the future - whether it's AI, IoT, AR, and beyond.



YOUR DIGITAL TRANSFORMATION BEGINS AT FOUR51.IO

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