

# a new era of opportunity in manufacturing

key trends shaping the  
future of digital B2B sales



# it's a pivotal moment for manufacturers

Global supply chain disruptions and rising materials costs present unprecedented challenges for manufacturers. At the same time, a massive revenue opportunity is emerging for companies that understand and know how to respond to this new market landscape.

Three major developments are irreversibly shifting how manufacturers approach the market:

1

Heightened customer expectations and more sales channels

2

Stringent sustainability demands

3

New profit opportunities across the customer lifespan

Companies that know how to leverage these emerging trends of global manufacturing can turn them into powerful growth drivers.

These shifts have been underway for some time, but in 2023 and beyond they will radically change how manufacturers do business.

A woman with dark hair is shown in profile, looking down at a laptop screen. She is wearing a dark-colored top. The background is a blurred indoor setting with wooden furniture. Overlaid on the entire image is a pattern of yellow squares and diamonds of varying sizes, some of which are slightly tilted.

chapter 1

# satisfying demands of the new B2B consumer



# the new B2B consumer: higher expectations and more channels

Retailers and consumer brands paved the way for successful e-commerce, with rich omnichannel experiences that put the right product in front of the right customer at the right time. Many manufacturers have followed suit, opening up digital channels to expand their reach and boost sales.

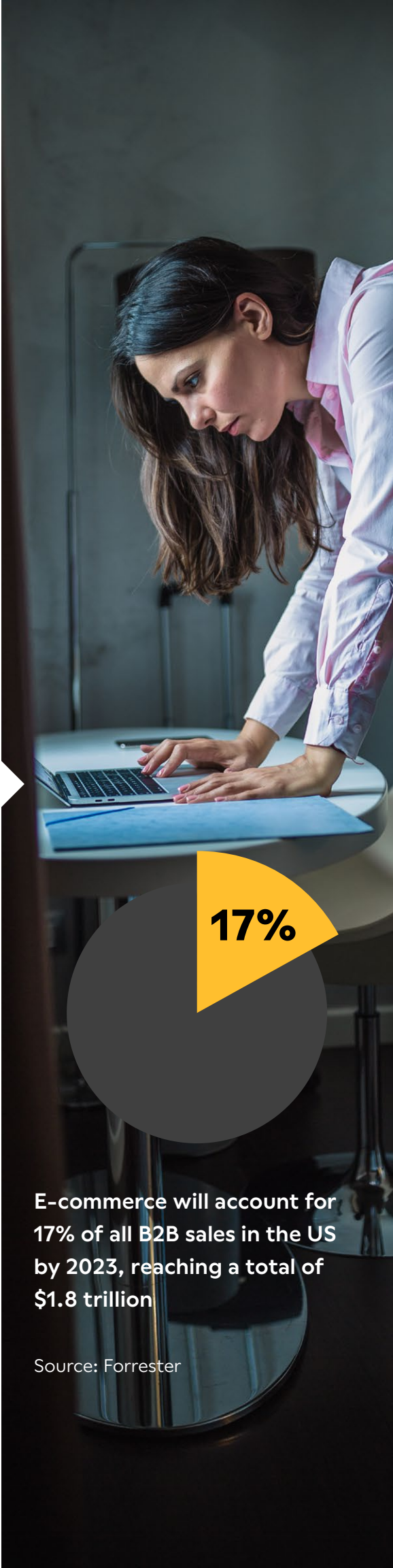
The pandemic brought the necessity for online sales into sharp focus. Manufacturers with a higher level of digital maturity pre-pandemic were much more resilient than companies who were not actively pursuing digitalization.

The high demands of buyers today have significantly increased the level of information consumption before purchase. Consumers want to understand where products are sourced, that they are ethically produced, and where possible are from sustainable sources.

## Mature manufacturers that deliver on these changing demands will soon benefit from massive growth in B2B e-commerce

Just before the pandemic, an [eMarketer report](#) found only 9% of B2B product sales in the US took place via e-commerce websites. But [Forrester](#) predicts online channels will account for 17% of all B2B sales in the US in 2023, reaching a total of \$1.8 trillion. That's a big jump.

The pandemic wasn't the only thing that fast-tracked the push to digital.



E-commerce will account for 17% of all B2B sales in the US by 2023, reaching a total of \$1.8 trillion

Source: Forrester

**B2B buyers expect shopping experiences that mimic those on B2C channels**

According to a [McKinsey report](#), 66% of buyers now opt for remote human interactions or digital self-service. They also expect personalized services and recommendations based on their specific needs, interests, and previous purchases.

**B2B buyers jump between channels, mirroring the habits of B2C shoppers**

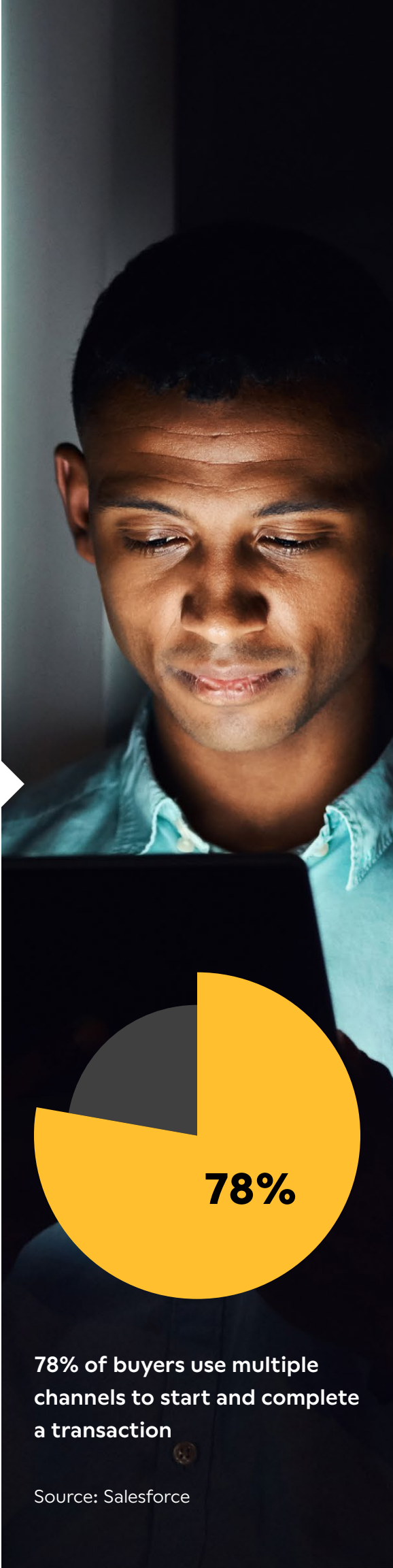
A [Salesforce survey](#) found 78% of buyers use multiple channels to start and complete a transaction. The same study discovered buyers use an average of 9 different channels to communicate with companies.

the clear case for an  
integrated omnichannel  
experience

For B2B manufacturers, it is clear multichannel sales are here to stay. With tech-savvy millennials now making the majority of B2B buying decisions, companies that shy away from digital – or do it halfway – will quickly lose pace with the market.

B2B companies can no longer approach digital sales as a siloed marketplace or a nice-to-have channel. The full benefit of digital is realized when companies implement online processes that seamlessly guide buyers through the sales funnel – from research to reorder.

Buyers want to see an ecosystem around products they buy, so they can quickly navigate and find additional equipment they need.



**78% of buyers use multiple channels to start and complete a transaction**

Source: Salesforce

with forward thinking and  
the right digital tools, you can:



#### **Scale business faster with far less investment**

E-commerce opens a world of opportunities. It speeds time to market and enables fast scaling across new territories without a huge network of distributors and sales representatives. Shipping, returns, and inventory management are easily automated. New promotions and messaging can be tested before budget gets committed.



#### **Build relationships and deepen loyalty**

Digital channels help manufacturers build stronger, more valuable relationships with buyers at every touchpoint. Companies can better match products with customer needs, capture data on buying preferences and behaviors, improve service with online tools, and increase loyalty with dedicated promotions and retention campaigns.



#### **Leverage personalization to drive revenue**

Personalized experiences increase sales. Customers trust brands that know their preferences. And this comes down to data. Tech-enabled personalization lets companies create custom online catalogs, buyer-specific pricing, upsell and cross-sell offers that resonate, and bespoke after-sales services.



# product data activates a compelling omnichannel experience

Digital channels can offer far better buying experiences than in-store shopping. Manufacturers can now use product information to let buyers configure highly complex products with thousands of tiny variations. AI is used to predict preferences, develop personalized offers, and simultaneously launch products across geographies.

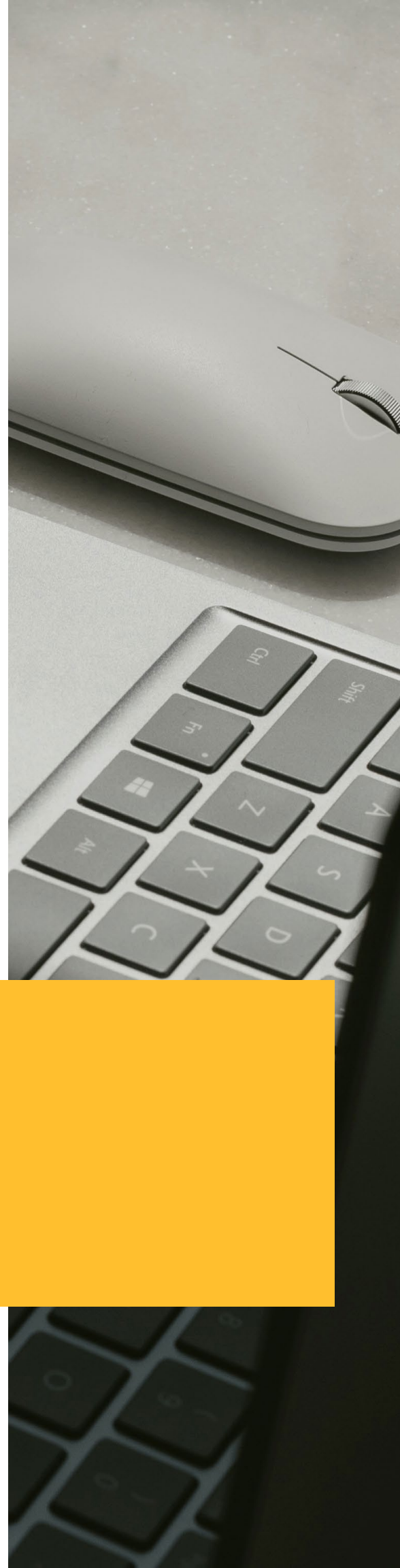
## The building block for every online customer experience is product information

Your product information *is* your product in online channels. It's what customers base their purchasing decisions on, whether through an online marketplace, your own webshop or one of your distributors or partner channels.



**While the majority of B2B buyers consider supplier information high quality, many find it contradictory. This lowers customer confidence, which greatly reduces the chances of a customer making a significant purchase.”**

Source: Gartner



Ensuring product information is complete, correct and consistent across every channel is vital to successful online sales. Mistakes and inconsistencies quickly lead to returns, lack of brand trust and customer churn. In fact, a full 7 out of every 10 buyers will switch their supplier if the digital buying process disappoints.

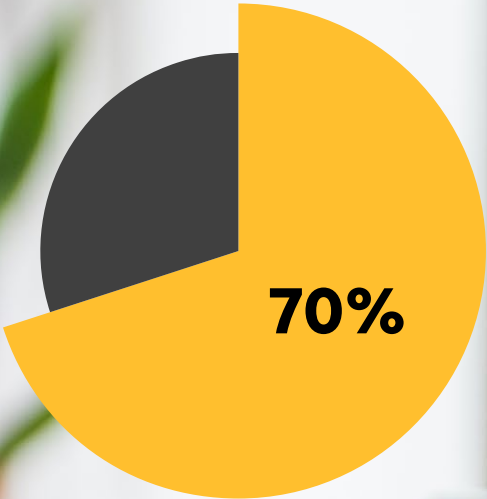
**The right tech solution for your omnichannel product experience**

Technology makes or breaks the digital buying experience, which is why so many companies rely on the latest software to help them build compelling buying experiences online.

The best e-commerce experiences are built on accurate product information. To ensure this product information can support an omnichannel strategy, manufacturers are increasingly looking to product information management (PIM) software to set them apart from the competition.

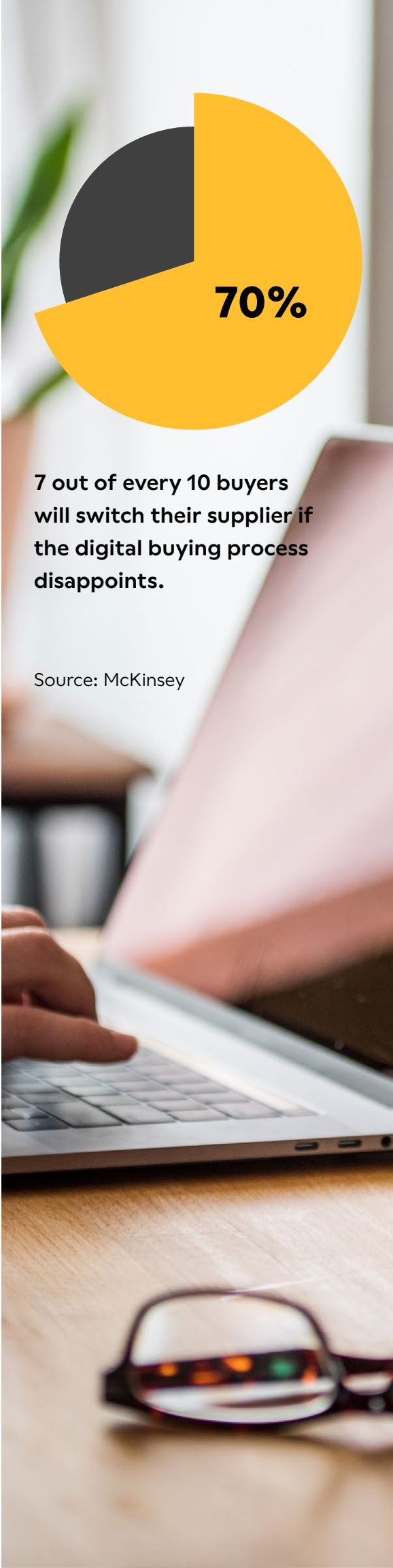
PIM software lets them easily update omnichannel data – such as text, photos, videos and tech specs – in a single place. Some PIM solutions go further to create personalized relationships between products, parts and associated services so accurate cross-selling and upselling offers are presented to the right customer at the right time.

The e-commerce experience also has to be inclusive, delivered by creating an experience that ensures all customers have barrier-free access to product information. And are not limited by physical, cognitive, and situational disabilities




**7 out of every 10 buyers will switch their supplier if the digital buying process disappoints.**

Source: McKinsey





A man with a beard and closed eyes, wearing a green t-shirt, is positioned on the right side of the frame. The background is a textured wall with a grid of teal squares of varying sizes. The lighting is soft, creating a calm atmosphere.

chapter 2

# the sustainability imperative



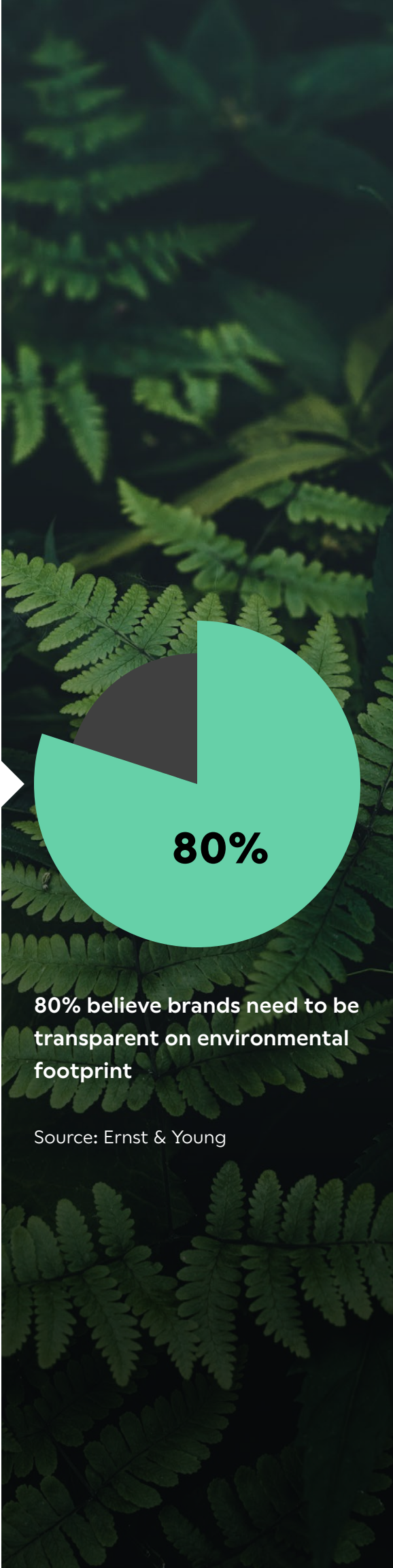
# new transparency demands from legislators and consumers

Consumers across every industry are making more and more conscious buying choices. According to the most recent EY Future Consumer Index, 80% of global consumers believe brands must be transparent about their environmental impact. Buyers are gravitating toward products that are sustainable, reusable, and recyclable.

Global manufacturing and production now account for one-fifth of the world’s carbon emissions and consume more than half of the world’s energy. Pressure to respond to these figures is catalyzing a new approach to production – as well as new legislative requirements that raise awareness about materials and the full scope of their environmental impact.

## Circular production and ESG frameworks

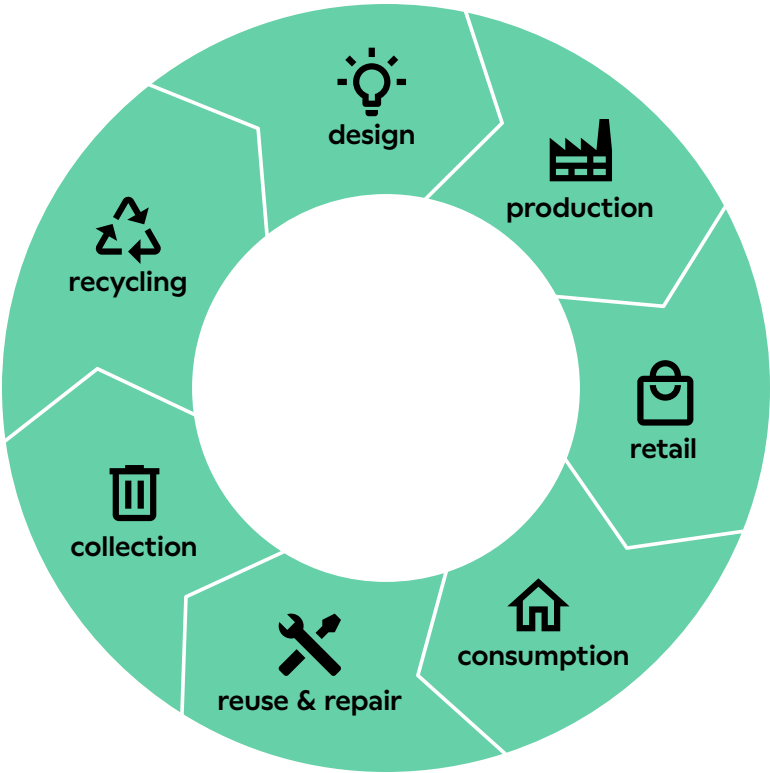
The world is waking up to the fact that the traditional **make > use > dispose** product lifecycle is no longer a viable way forward for the planet. There is a rapidly accelerating shift toward a more circular production flow, in which materials are endlessly reused, reclaimed, recycled, and incorporated into new products, minimizing the use of non-renewable resources.



80% believe brands need to be transparent on environmental footprint

Source: Ernst & Young

Many manufacturers are already engaging technology to better understand their supply chains, improve production practices, and transition to carbon-neutral operations. Corporations are showcasing their Environmental, Social and Governance (ESG) commitment. According to IDC, over 90% of S&P 500 companies now publish ESG reports.



**Operationalizing ESG is the next maturity step for organizations’ sustainability journey and requires a technology-enabled infusion of ESG into every part of the organization.”**

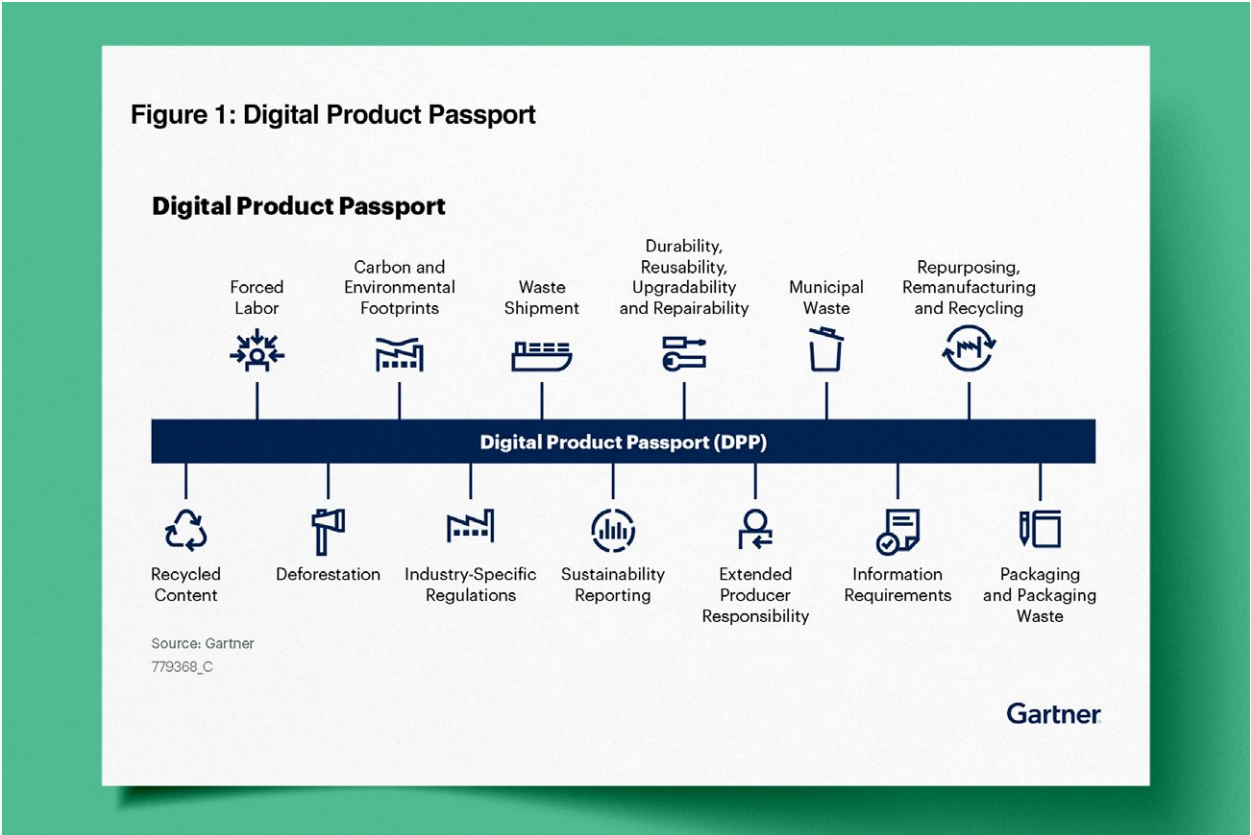
Source: IDC



# the digital passport and other new global mandates

Governments are picking up the pace on supply chain transparency policies, quickly transforming due diligence reports from nice-to-haves to legal requirements.

Manufacturers that digitize their product information across the supply chain will be in a much better position to meet this wave of new regulations designed to improve the environmental footprint of products.



Source: Gartner: What Data and Analytics Leaders Need to Know About Digital Product Passports

One significant example is the European Union’s new digital product passport (DPP), which falls under the Ecodesign Sustainable Products Regulation (ESPR). Its goal is to reduce waste by collecting a wide range of data on products and their supply chains, and making it available to all relevant stakeholders, including consumers.

DPP requirements are being rolled out by product category and will affect a huge range of products by 2024. Full implementation is expected as soon as 2030. The graphic above provides an overview of the data that will need to be gathered and published by companies in order to comply with this regulation.

# global supply chain transparency and the Gen Z consumer

While the digital passport is part of an EU regulation, it applies to any product sold in the EU (not just manufactured there), meaning in practice, it has global implications. The US is also picking up the pace on legislation that demands manufacturers provide data on product details.

Prop 65 is a piece of California legislation that requires products wear warning labels if they contain certain types of chemicals. Its impact is far from local, however, as it applies to all business done in California, by national and international companies. New York and Washington state are following suit, with laws similar to Prop 65.

These government directives are a product of public opinion. The trend toward transparency comes from a demand from consumers themselves, who use their votes and purchasing decisions to opine. A full 88% of buyers in the US and UK say they lean toward brands that are more environmentally friendly.

Gen Z buyers are increasingly exhibiting climate-focused buying behavior and demanding greater transparency – and this generation will dominate B2B purchasing decisions within a decade. Manufacturing companies that get a handle on traceability and circularity will become the brands consumers rely on in the years to come.



**If your brand isn't helping your consumers improve their environmental and social footprint, then you're in danger of disappointing 88% of them."**

Source: Forbes



# the advantages of being a sustainability leader

This shift toward greater circularity and transparency may require extensive changes to sourcing, production, and distribution processes. But building sustainability into the business isn't just a necessary exercise in compliance. It is exactly what will distinguish the best manufacturing brands from the rest in a very competitive market.

While the push toward sustainability may feel like an imperative from buyers, legislators, and employees, it is exactly what your manufacturing business needs to thrive.



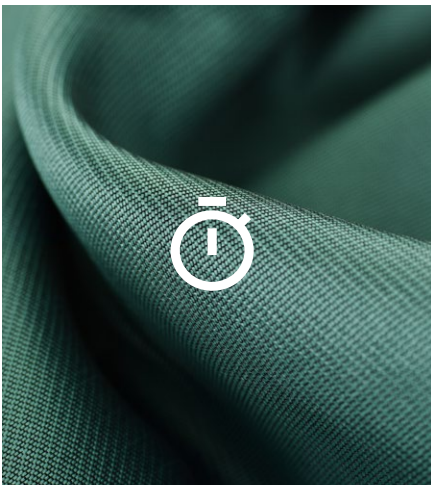
**Traceability can help build trust and credibility with clients, creating new revenue through gaining new market shares or being able to charge a premium.”**

Source: Forbes





# building sustainability into your business lets you:



## **Improve efficiency and offer better products**

New processes and materials speed production rates and can increase product longevity. Not only can they offer the market more popular products, they also make due diligence reporting much faster and easier.



## **Gain recognition as a truly sustainable brand**

The new dream of every company is to be the brand that walks its talk on environmental sustainability. With a lot of ESG efforts perceived as “greenwashing,” companies need to rely on traceability-enabling technologies to demonstrate that their sustainability efforts are legitimate.



## **Reduce risk, save money, and drive revenue**

Companies that leverage their data to ensure compliance avoid costly fines and legal proceedings. They also offer the market a differentiated product offering that drives revenue.

# building circularity and traceability into your business

By 2024, at least three key manufacturing markets will be expected to comply with digital passport legislation: textiles, construction, and industrial and electrical vehicle battery production. Consumer electronics, packaging, and food are also earmarked as possible early passport adopters.

The DPP is essentially a digital twin of a physical product that includes data from across the product's lifecycle. Manufacturing companies will have to implement data collection processes that may at first seem tedious and time-consuming. Even manufacturers who are relatively up to date on tracking and transparency might be caught off guard by some DPP requirements.

Besides providing information on materials, components, packaging, and sourcing – which is challenging enough – manufacturers need to consider the entire product life cycle and conduct the relevant impact assessments for everything from the design phase to end-of-life models.





# from complexity to clarity with product information management

It is not yet entirely clear how all this complex information will need to be communicated. During the sales phase, much of it can be incorporated into existing product descriptions. On the product itself, the information can be stored on a GS1 barcode, QR code, or something similar that facilitates easy information retrieval.

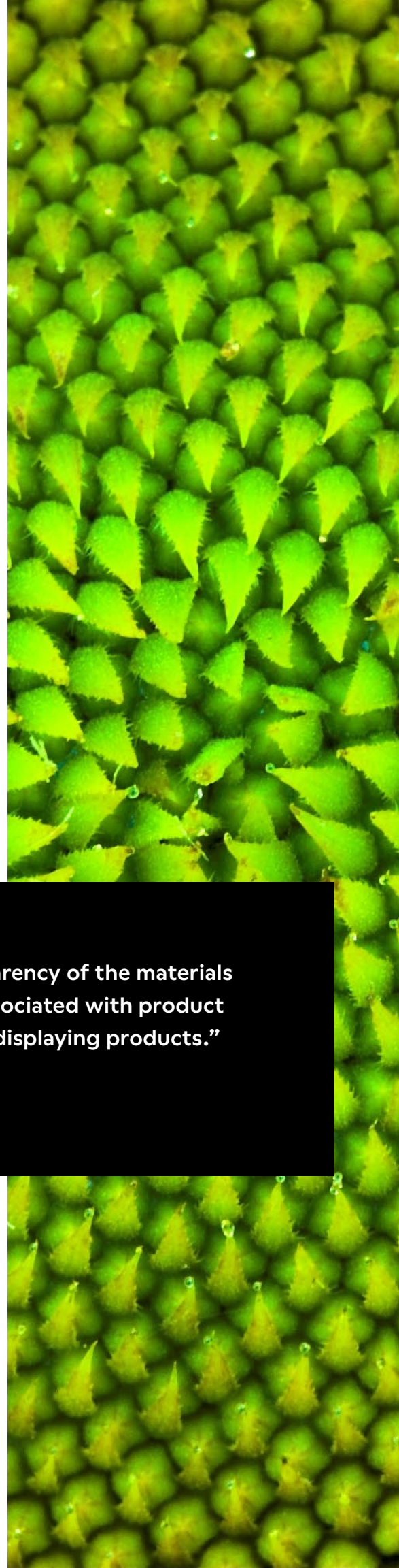
PIM helps manufacturers pull data from PLMs, ERPs, supplier portals and other product data storage systems so they can make it available to legislators and consumers. This step – from complexity to clarity and transparency – is accessible to manufacturers that use a PIM.



**PIM systems have a role to play here by improving transparency of the materials used to make products, exposing the carbon footprint associated with product manufacturing, and reducing returns by more accurately displaying products.”**

Source: IDC

There has been concern the DPP will burden enterprises with yet another bureaucratic exercise. Some manufacturing companies will indeed struggle to harness their data, but companies with tools in place that enable full supply chain visibility will find it much easier to comply – and also be poised to build the kind of responsible brand consumers desire.







chapter 3

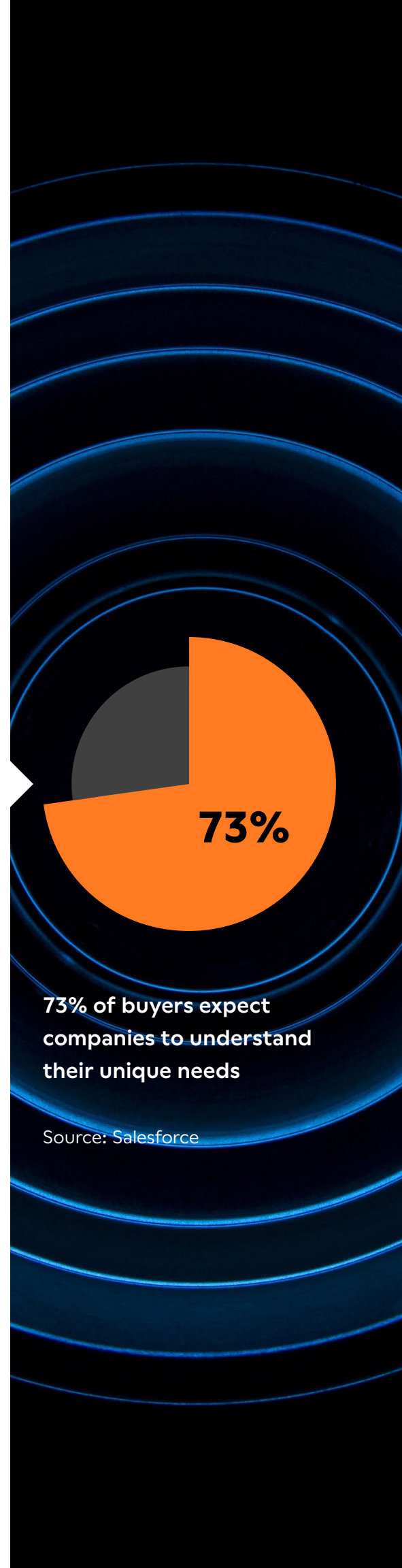
# service as a profitability driver

# identifying more opportunities across the customer lifecycle

What really drives revenue in manufacturing? Is it the product itself? Is it the related services? Or is it the ability to know what customers want now, and what they might need in the future? According to a [Salesforce survey](#), 52% of manufacturing executives find it increasingly difficult to compete based on product quality alone. 86% of them name customer service as a key differentiator.

Customer service is vital to manufacturing, where companies often produce items identical to those offered by competitors. But beyond competent sales agents and a well-stocked digital shelf, customer service excellence in manufacturing is the ability to demonstrate to customers that you know what's on their minds during the sales process and can offer up exactly the products, parts and services they need.

Buyers want businesses to provide help and demonstrate knowledge at every step of the sales process – before, during and after the sale. [73% of buyers now expect companies to understand their unique needs](#). Knowing where customers are in their buying journey, and what additional products and services they might need is the new key to driving profits.



**73% of buyers expect companies to understand their unique needs**

Source: Salesforce



# tapping into the lucrative after-sales market

Manufacturing companies now have a potentially massive money-making opportunity they can tap into with the right technology: after-sales. Self-service platforms and order histories can enable repeat orders, showcase relevant spare parts or recommend upgrades or repair services. Deloitte estimates after-sales service can increase the overall revenue of manufacturers by 50%, with many companies already generating half of their overall revenue in this space.

It is a charge that requires specific technologies to realize, but manufacturers that don't take advantage of the opportunity leave a lot of money on the table.



**B2B manufacturers should leverage digital to advance and support new and existing business opportunities — an undertaking that has thus far proven difficult.”**

Source: Kyle Rees, Gartner



# the promise of the new digital ecosystem of products and services

Buyers want a dynamic ecosystem around the products they buy. They want to quickly find and purchase additional equipment and related services. Manufacturers that can deliver this kind of integrated buying experience across the entire customer journey will elevate both brand reputation and profits.

A digital approach to the sales journey can enable complicated configurations and customizations that present buyers with relevant accessories, spare parts and service packs at the right time. Automating these interactions also makes companies more efficient and less reliant on sales reps and customer service agents.

Accurate, updated and complete product information is the foundation of a healthy digital ecosystem. It improves the buying experience and ensures customers select the right product. This is particularly important in manufacturing, where a millimeter or a .05 degree angle makes a difference. Returns cost companies billions – they also compromise customer trust and widen your carbon footprint.



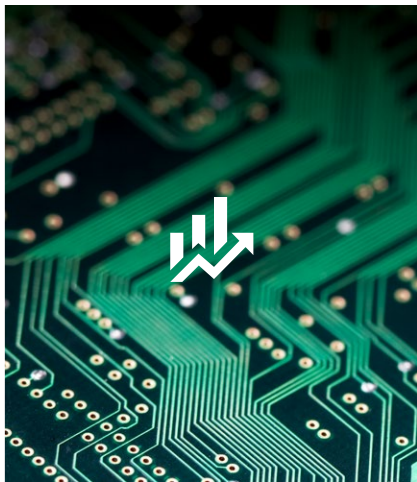


with a digital ecosystem  
approach, you'll see:



#### **Increased customer loyalty**

Customers return to the same companies again and again not just because their products are good, but because their end-to-end purchasing experience is superior. Trusted brands also get customer recommendations, which are vital to B2B sales.



#### **Higher revenues and lower costs**

Companies that leverage their data to identify multiple, ongoing sales opportunities for every customer not only maximize their income potential, they also save time and money on promotions and marketing campaigns.



#### **Fewer returns – and less landfill**

The global reverse logistics market hit \$635.6 billion in 2020. Accurate and comprehensive product information is key to minimizing returns. And since it takes more effort to return small, inexpensive parts than to dispose of them, product information errors also result in more waste.

# harnessing product data to unlock new revenue streams

Data drives insights into what buyers are looking for, which products are top performers, and where opportunities are being missed. It allows companies to truly know and serve customers across their entire lifespan.

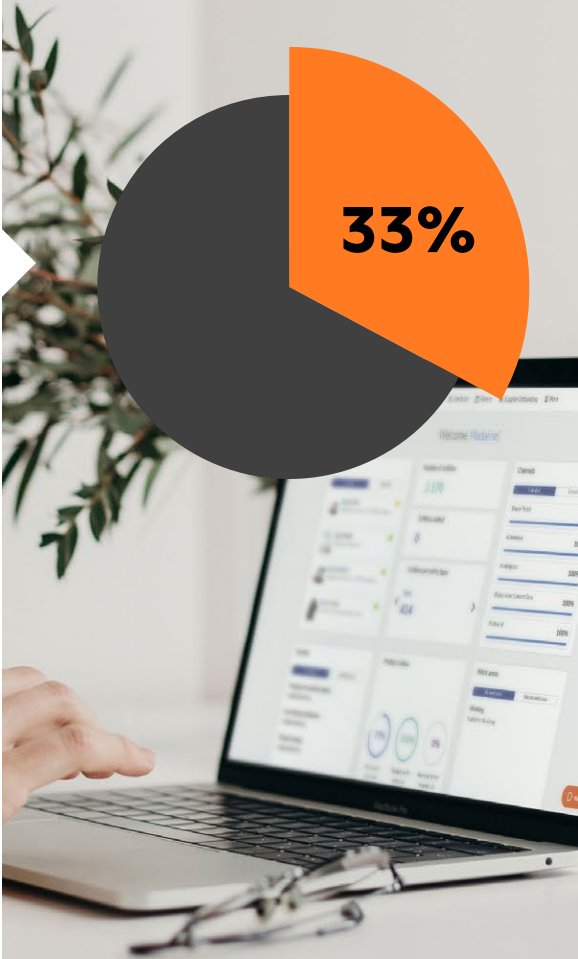
Manufacturing companies often cannot see, understand, or activate the relationships between purchased products, relevant accessories, spare parts, and service solutions. This inevitably leads to missed opportunities and longer support times, as employees rely on their own knowledge and information searches.

A multichannel, digital-first approach opens up a world of profit-driving opportunities. Key to the success of this approach is the availability of clear, consistent, accurate product information.

Dynamic product information management tools can correlate everything from tech specs to usage scenarios, customization possibilities and ongoing service needs. This is what opens up revenue streams across customer buying phases that ultimately enrich customer lifetime value.

**33% of B2B buyers return products bought online due to insufficient product information**

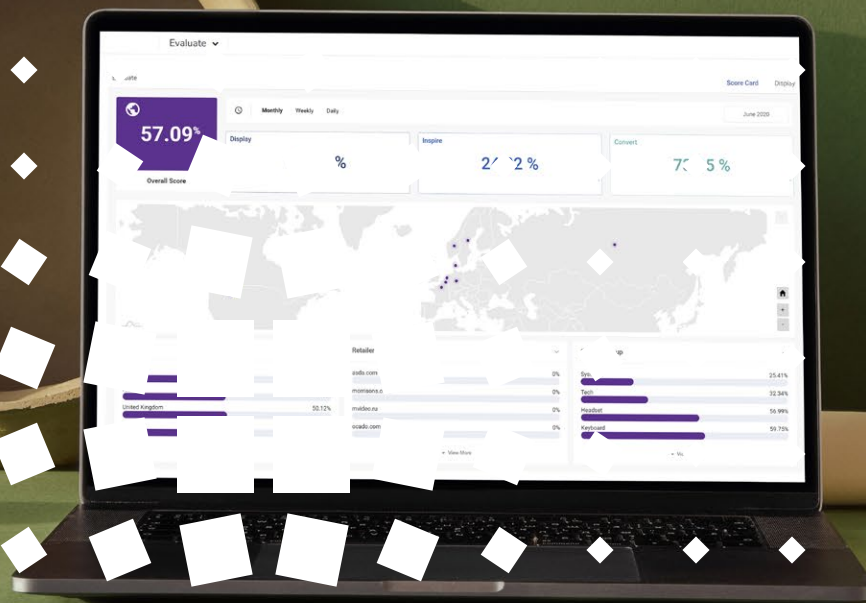
Source: KPMG





chapter 4

# PIM: the solution that stands up to new demands in manufacturing








# how PIM solutions change the game for industrial and branded manufacturers

For manufacturers, product information flows in a dense, overlapping web that connects product details and attributes, customer interactions, sales channels, distribution partners, service teams and more. To harness all this data, manufacturers need advanced PIM solutions to meet their product information management demands.

Leading manufacturers that use robust PIM solutions are already thriving in this new environment. They reimagine the traditional product journey and leverage product information to drive better customer experiences, deliver transparency, and build additional revenue streams.

PIM solutions create a single source of truth that powers the entire product journey and allow manufacturers to:

-  **Deliver high-value, personalized customer experiences** that strengthen brand reputation
-  **Drive revenue across the entire customer lifecycle** by digitally linking products, parts, and services
-  **Provide product transparency across the value chain** from sourcing to end-of-life
-  **Enable better customer service** across the organization to build brand loyalty
-  **Minimize returns, lower costs** and streamline sales and marketing efforts

The value of PIM solutions is not just that they improve the digital buying process or provide product transparency and consistency, or that they increase profit potential, but that they have the capacity to do all of these in a seamless and integrated way, helping manufacturers thrive in a digital-first world.



Ready to find out how PIM can fit into your digital journey and help you take advantage of the trends that are shaping the future of manufacturing?

[book a discovery session](#)

Inriver powers the entire product journey. Our PIM solution enables B2B and B2C enterprises to meet growing demands on product data at every touchpoint.

Visit [inriver.com](https://inriver.com).

Nexer is a tech company leading the digital revolution. With us you move towards a future that holds a promise. Of a business that excels. Of a career that takes off. Of a better life for all. We aim to deliver on that promise.

Visit [nexergroup.com](https://nexergroup.com)

**NEXER**

**inriver**