

AS FEATURED IN

# DIGITAL B2B COMMERCE 360

## CASHING IN WITH DIGITAL CHANNEL PARTNERS

Sharing valuable product data and other collaborative digital commerce strategies bring manufacturers, distributors and other channel partners into profitable relationships.

OCTOBER 2023



Compliments of

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## INTRODUCTION

# GETTING EXCITED ABOUT B2B COLLABORATION

The more companies share with their trading partners critical information on products and how to best promote and ship them, the more they'll drive up sales and lasting business relationships.

“There’s an opportunity there from a shared revenue standpoint between distributors and manufacturers,” says Dan Banks, founder of Domani Strategies, a firm that advises B2B companies on ways to interact profitably.

Banks and other B2B professionals mentioned in this report cover how manufacturers and distributors are finding new ways to collaborate in such areas as sharing the latest information on in-demand products to generate more traffic to their ecommerce sites and boost sales.

“We are really excited because, in our industry, there hasn’t been an initiative like this where manufacturers and distributors can pull down and have access to up-to-date information,” says Mike Powers, director of commerce and digital at distributor and light manufacturer ARG Industrial. He notes how ARG is working with its suppliers, digital commerce technology providers, and the Affiliated Distributors organization to streamline and expedite how they get critical product information before customers.



Likewise, manufacturer MSA Safety tells how it helps ensure its distributors quickly display product descriptions and images to sharply cut the time to get new items linked from an online Buy Now button.

“It’s the way of the future” for increasing sales for both manufacturers and distributors, says Ross Baker, MSA’s director of product strategy.

Read on for more insights on how B2B companies are collaborating to build more profitable relationships. ■



Source: April 2023 B2B Buyer Survey by Digital Commerce 360.

# COLLABORATION BETWEEN MANUFACTURERS AND DISTRIBUTORS MOVES BUSINESSES FORWARD

An executive conversation with **Jason Magee**, managing partner, Human Element



Collaboration is critical to success for B2B companies operating in today's B2B ecommerce environment. As many manufacturers and distributors struggle with limited resources and time, partnerships among them coupled with effective communication can allow these businesses to go to market faster, provide better content and offer better service. To discuss how manufacturer and distributor collaboration can help companies delight customers and move forward together, Digital Commerce 360 B2B spoke with Jason Magee, managing partner at Human Element.

## How does manufacturer-distributor collaboration help B2B companies win more business?

If your distributors sell more of your product, you sell more of your product. It's in everyone's best interest to collaborate and communicate as much as possible.

## What challenges do manufacturers and distributors face when trying to collaborate?

It comes down to communication, coordination and data sharing. For manufacturers, having product data and web-ready assets available and easily shareable with distributors is key. It allows the distributors to focus on moving products instead of having to create the content themselves, which is time-consuming. While it doesn't allow distributors to differentiate themselves from each other, they can still do that. Having baseline, accessible information and assets through an API or a standardized file format can reduce the barrier to entry significantly.

## How can they overcome these challenges?

They need to talk with each other about the challenges and work through them. If accessible data is an issue, decide and execute a universal format or methodology for sharing inventory, critical product data and assets. Automating any of these

data-sharing methods and making the data more consumable can speed up the process.

## What does a successful collaboration look like?

Manufacturers and distributors should have regular check-ins to discuss what is working and what is not. The end of the value chain, where the end users can purchase, is always iterating and improving because of the number of eyes and scrutiny they receive. They should give an elevated level of iteration and visibility to processes and relationships earlier in the chain — and, in this case, how the overall technical and operational transactions occur between the manufacturer and their distributors.

## How can manufacturers and distributors begin to foster these collaborations?

They could partner with a B2B ecommerce company, such as Human Element, that focuses on building human-centered digital experiences. We can help B2B companies to initiate and facilitate these conversations and create actionable plans, whether from a technical or operational process standpoint. These could include a phased rollout plan and roadmap to stair-step integrations and data sharing, such as automating key product data imports and categorization. Identifying opportunities for improved collaboration and communication should be a part of the way every business operates.




"Always look for a better way" is one of our core values. It completely applies to collaboration between manufacturers and distributors in the overall B2B ecommerce value chain. Improve process and integration. Automate what you can and move on to the next opportunity.



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# BUILDING SALES THROUGH MANUFACTURER-DISTRIBUTOR COLLABORATION

When an oil company procurement professional in Alaska's North Slope region needs an industrial hose assembly, distributor ARG Industrial relies on a product data-sharing system to ensure it has the items that will do the job efficiently and safely.

Because providing the wrong products could result in significant, or even dangerous, problems for the customer.

“When you're talking about the inside diameter or working pressure of an industrial hose, you have to make sure you're getting the right data from your suppliers — and then also that you're presenting the right data to your customers,” says Mike Powers, ARG's director of ecommerce and digital, adding, “Some of these hose assemblies are put in working conditions that, if not done properly, could cause significant harm.”

Powers and president and CEO Mike Mortensen recently have worked with ARG's suppliers, digital commerce technology providers, AI technology, and the buying group Affiliated Distributors to deploy technology and business processes designed to ensure customers view, order and get the exact products they need down to every specification.

“We are really excited because, in our industry, there hasn’t been an initiative like this where manufacturers and distributors can pull down and have access to up-to-date information,” he says. He adds that the overall data-management effort has already built more robust, productive and profitable relationships between ARG and its manufacturing suppliers and end customers, leading to increased sales across more product lines.

The need for manufacturers and distributors to collaborate and share accurate and comprehensive data on products, customers and operations is getting more attention among companies and industry groups, who use shared product information management systems and data-hungry AI applications to build a data foundation to foster commerce. The reasons are clear: A recent survey of 103 B2B buyers by Digital Commerce 360, for example, found that nearly three-quarters of them cited the ease of finding products and the richness of product information and imagery as critical elements of ecommerce sites. And it takes robust collaboration among manufacturers and distributors to ensure ecommerce sites have the product data that supports those elements.

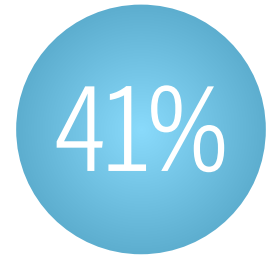
But success in these collaboration efforts still requires work in getting channel partners to agree on what data to share and how to compile and distribute it, industry experts say.

## ‘WE HAVE TO PUT LOTS OF DATA IN OUR B2B CATALOGS’

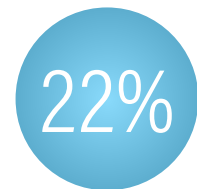
“Even without a plan to leverage AI, it is important to get your foundational product and customer data in place,” says Val DuVernet, senior director, digital strategy and optimization at McKesson-Surgical, a division of medical products distributor

### WHERE IS THE BEST PRODUCT INFORMATION ONLINE?

(% of buyers who “strongly agree”)



Brand manufacturer’s website



Distributor’s website

Source: April 2023 B2B Buyer Survey by Digital Commerce 360.

McKesson Corp. She adds, “In B2B, we can’t just rely on common knowledge of our products, as most of us are in highly specialized markets. We have to input lots of data in our catalogs, and we don’t want AI making up information, so our inputs are very important.”

Dan Banks, the founder of Domani Strategies, a firm that advises companies on how to build out their digital commerce technology ecosystems, says many of them are investigating data-compiling and -sharing issues. “Data continues to be the key thing that manufacturers and distributors are really trying to figure out — how to find the right partners to get that data, and what kind of data do they really need?”

He adds that manufacturers need to provide valuable product information that enhances search engine optimization, increases web traffic, and helps end customers make purchasing decisions. Distributors, in turn, provide data back to their suppliers on what type of content is driving sales and traffic to the suppliers’ banner ads.

## SHARED REVENUE OPPORTUNITIES

“There’s an opportunity there from a shared revenue standpoint between distributors and manufacturers,” he says.

Adding to the pressure on B2B companies to implement an effective data strategy is that some distributors these days wind up doing more of the marketing and merchandising that in the past had more input from manufacturers.

“We are now the catalyst to take the marketing message to the buyer, the digital buyer, so it’s so important that the product information management system or a master data management



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— Mike Powers, director of  
ecommerce and digital,  
ARG Industrial



system is in place both for the manufacturer and distributor to share that information,” Powers says.

At the same time, however, manufacturers say that when they share product details and images with channel partners, they often face the challenge of ensuring that distributors display the product details and images accurately and comprehensively in a way that drives up sales and supports the manufacturer’s brand.

MSA Safety, a manufacturer of industrial products ranging from gas detectors to hard hats and fall-protection harnesses, has deployed product information management (PIM) and other product experience management (PXM) technology from Salsify to improve how it enriches product data and distributes it to channel partners.

“There’s a huge bang for the buck on that, because the quicker we can get products onto someone’s site, the sooner a customer can go straight to hard hats and click the Buy Now button,” says Sean Donovan, MSA’s digital channel manager for the Americas. MSA, whose website runs on SAP Commerce Cloud, uses the PriceSpider service for managing Buy Now links to its channel partners’ ecommerce sites.

Donovan notes that the Salsify system “has improved our ability to get product information to our channel partners much quicker and in a more consistent manner. In the past, it could take up to two or three months. Now I’m down to a matter of weeks. In some cases, depending on the product, we can get it done in days.”

MSA’s hard hats buy page, for example, links Buy Now buttons to the ecommerce sites of MSC Industrial Supply, Grainger and Airgas, among others. But the Buy Now button for each channel partner’s site doesn’t appear until the distributor has uploaded the featured product into its product catalog.



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— Val DuVernet,  
senior director, digital  
strategy and optimization,  
McKesson Corp.

## CASE STUDY: SMARTEQUIP

# BUILDING A NEW B2B ECOMMERCE VENUE FOR CONSTRUCTION PARTS

The heavy equipment commerce technology and networking company, a unit of B2B marketplace company RB Global, has rolled out for distributors, dealers and fleet managers the new self-service parts shop platform SmartEquip e-Commerce 2.0.

SmartEquip Inc. hosts more than \$1 billion in annual sales for more than 700 construction industry original equipment manufacturers to thousands of distributors, dealers and fleet owners. Now, SmartEquip is providing those B2B companies with a new hosted ecommerce platform to manage online sales through their own branded web stores.

SmartEquip recently released the SmartEquip e-Commerce 2.0 as a technology platform, on which authorized distributors, dealers and fleet managers can operate their own branded self-service commerce store for selling construction parts from SmartEquip's parts catalog network of more than 700 original equipment manufacturers. The company is a subsidiary of B2B marketplace company RB Global Inc., which also owns such organizations as construction equipment marketplace operator Ritchie Bros.

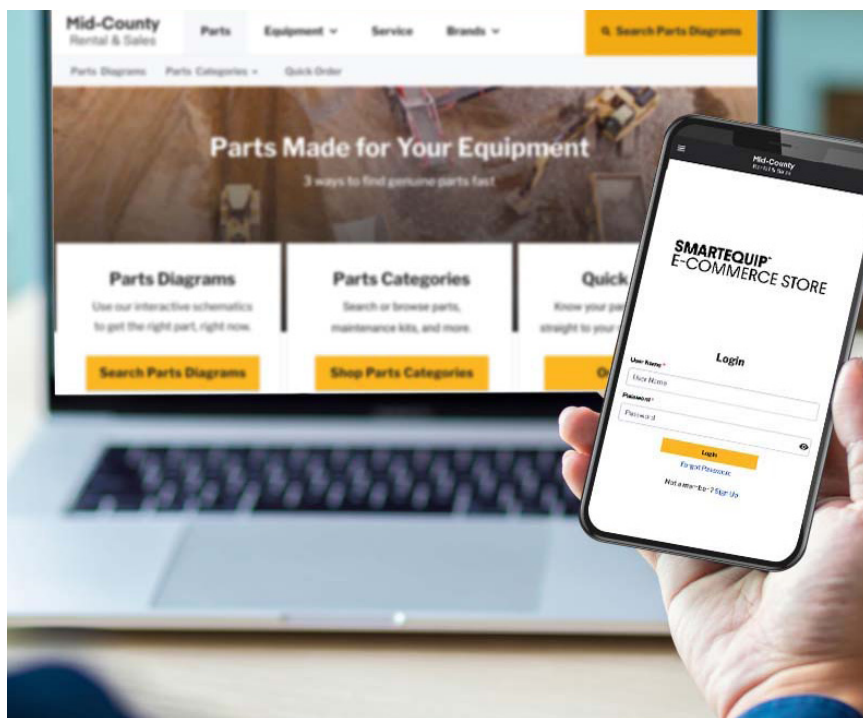
## SMARTEQUIP B2B ECOMMERCE PLATFORM

Andrew Malion, president of braking equipment supplier Spectra Products Inc., says the SmartEquip product catalog helps his

customers view descriptions and images of Spectra's Brake Safe products to ensure they order the correct parts for truck air brake diagnostic systems. Spectra Products recently joined the SmartEquip Network.

“Joining their network of suppliers and manufacturers is the ideal way to offer equipment owners our Brake Safe diagnostics tool,” he says.

“Once a customer gets a domain and connects with a SmartEquip team member to set up their site on the e-Commerce 2.0 platform, they will instantly gain access to their admin portal,” a SmartEquip spokeswoman says. “It’s a self-serve parts website platform, so they will be able to update their branding, customize landing pages and load products themselves.”



The upgraded SmartEquip ecommerce store supports a mobile channel.

She adds that distributors, dealers and fleet owners can use the platform to connect to the original equipment manufacturers for which they are authorized to sell products and extend product support and diagrams on the SmartEquip Network directly to their customers.

Ron Piccolo, senior vice president of operations at SmartEquip, says Spectra Products is an example of the growth in the variety of suppliers in the SmartEquip Network.

In addition to several hundred OEM brands, the SmartEquip Network has over 95,000 users across more than 42,000 equipment locations globally, SmartEquip says.

RB Global's operations also include:

- Ritchie Bros., a global online auctioneer of commercial assets and construction vehicles.
- IAA, a global digital marketplace for motor vehicle buyers and sellers.
- Rouse Services, an asset management and performance benchmarking system.
- Xcirca, a live simulcast auction technology provider.
- Veritread, an online marketplace for heavy haul transport services.

RB Global took its current corporate name earlier this year, when it changed it from Ritchie Bros. Auctioneers Inc. For the year ended Dec. 31, 2022, the company reported \$1.7 billion in total revenue. It also reported marketplace gross transaction value of \$6.0 billion. ■



## ABOUT DIGITAL COMMERCE 360

Digital Commerce 360, formerly Internet Retailer, has been a global leader in retail and B2B ecommerce research and media for over two decades. Our organization provides daily news, trend analysis, and competitive data to a vast community of executives, retailers, financial firms, manufacturers and more. Our team of experienced journalists and researchers publish a multitude of products each year, including dozens of research reports, newsletters, charts and infographics, webinars, live events, and data on thousands of ecommerce companies through its Digital Commerce 360 Research brand. We also founded groundbreaking ecommerce products and events, including Internet Retailer magazine, the Top 500 Guide, the Internet Retailer Conference & Exhibition (IRCE) and, most recently, the EnvisionB2B Conference & Exhibition.

## ABOUT DIGITAL COMMERCE 360 B2B

Digital Commerce 360 B2B covers all aspects of how businesses sell to business, government, and other institutional clients via the web, providing intelligence to the executives, managers and professionals at manufacturers, retailers, wholesalers and distributors. We provide business intelligence and industry leading content through research, newsletters, and B2B ecommerce reports focused on trends, marketplaces, technologies, and industry best practices. Plus, the DC360 B2B editorial staff is part of the team behind our EnvisionB2B Conference & Exhibition.

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