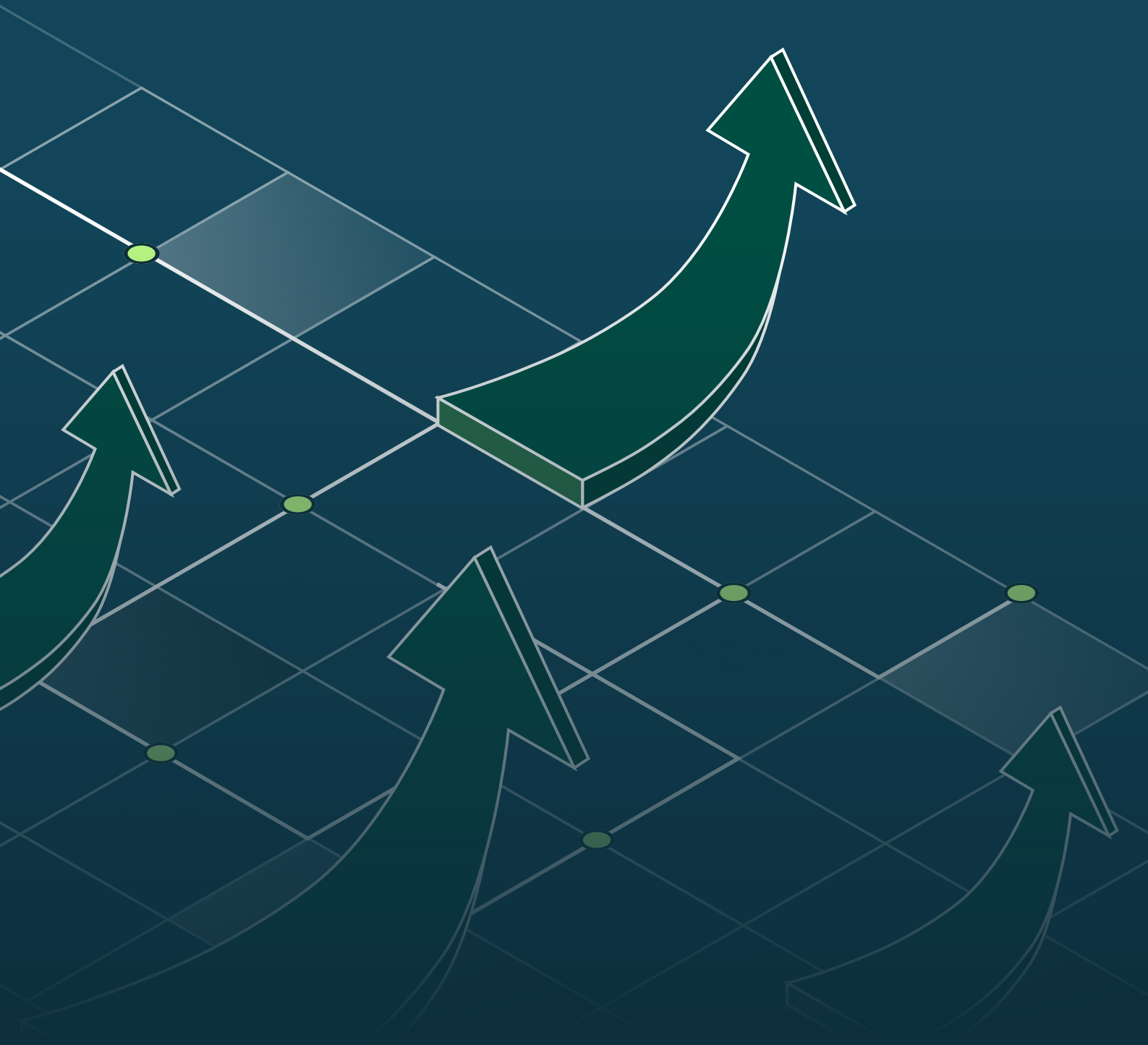


A Retailer's Guide to B2B Success

Essential Strategies for Retailers to Capture Growth in the B2B Market



The B2B potential for growth



In recent years, high inflation and sluggish income growth have created an environment where doing business with other businesses has become more profitable than selling directly to consumers. And it makes sense – B2B ecommerce is a vast market. **eMarketer** estimates over \$2 trillion in product sales through ecommerce sites in 2024. Yet, this represents only a fraction of US B2B sales and accounts for just 22% of electronic B2B transactions.

With much of the market still untapped, B2B ecommerce offers significant growth opportunities for B2C retailers looking to diversify into business products. Expanding into the B2B space opens new distribution channels and offers more predictable, stable revenue, especially during economic downturns or seasonal fluctuations.

Let's look more in-depth into the factors driving B2C retailers into the B2B space:

Saturated consumer market squeezing growth and margins

The B2C market has become highly competitive and saturated. Many traditional consumer markets have seen diminishing returns due to an overabundance of choices, price wars, and thinner profit margins. By entering the B2B space, retailers can capitalize on higher-volume sales with better margins, often with long-term contracts or bulk buying agreements, which provide more stable revenue streams.

Volatile consumer demand driving the need for diversification

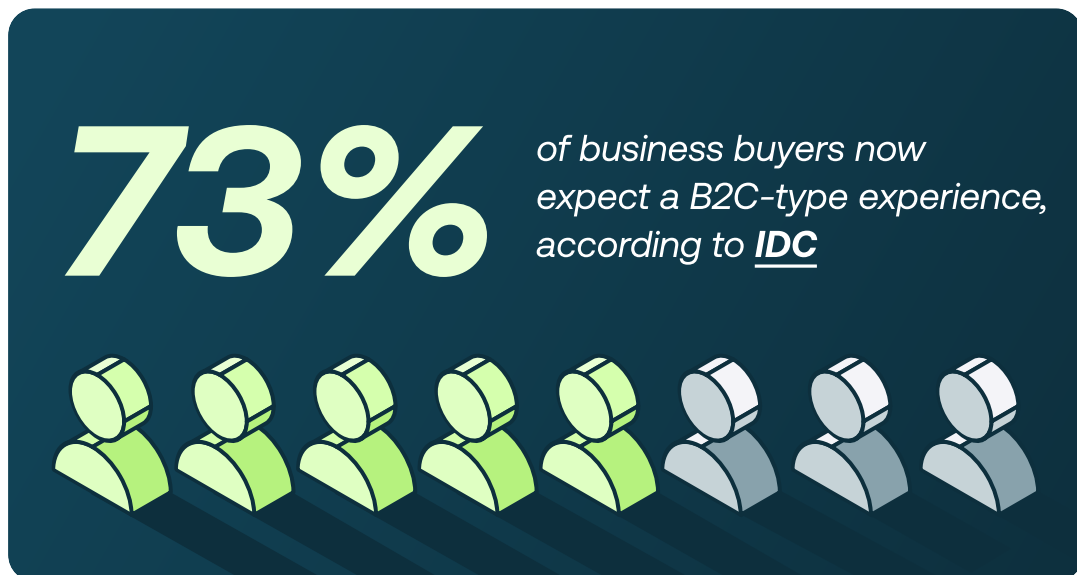
Fluctuating consumer spending patterns make revenue unpredictable. Retail sales naturally go through ups and downs — a surge followed by a slowdown is part of the economic cycle. Following a period of high inflation, consumers are opting for lower-cost alternatives. B2B sales are generally more stable, as businesses operate on fixed procurement cycles, helping retailers balance risks and ensure more consistent income.

Leveraging supply chain and brand to tap into new markets

Retailers can use their established logistics, supply chains, and brand recognition to tap into B2B markets efficiently. Much of the infrastructure already in place to serve consumers can be adapted to fulfill bulk orders for business customers. Additionally, established brands with consumer trust can use their reputation to penetrate new markets more easily.

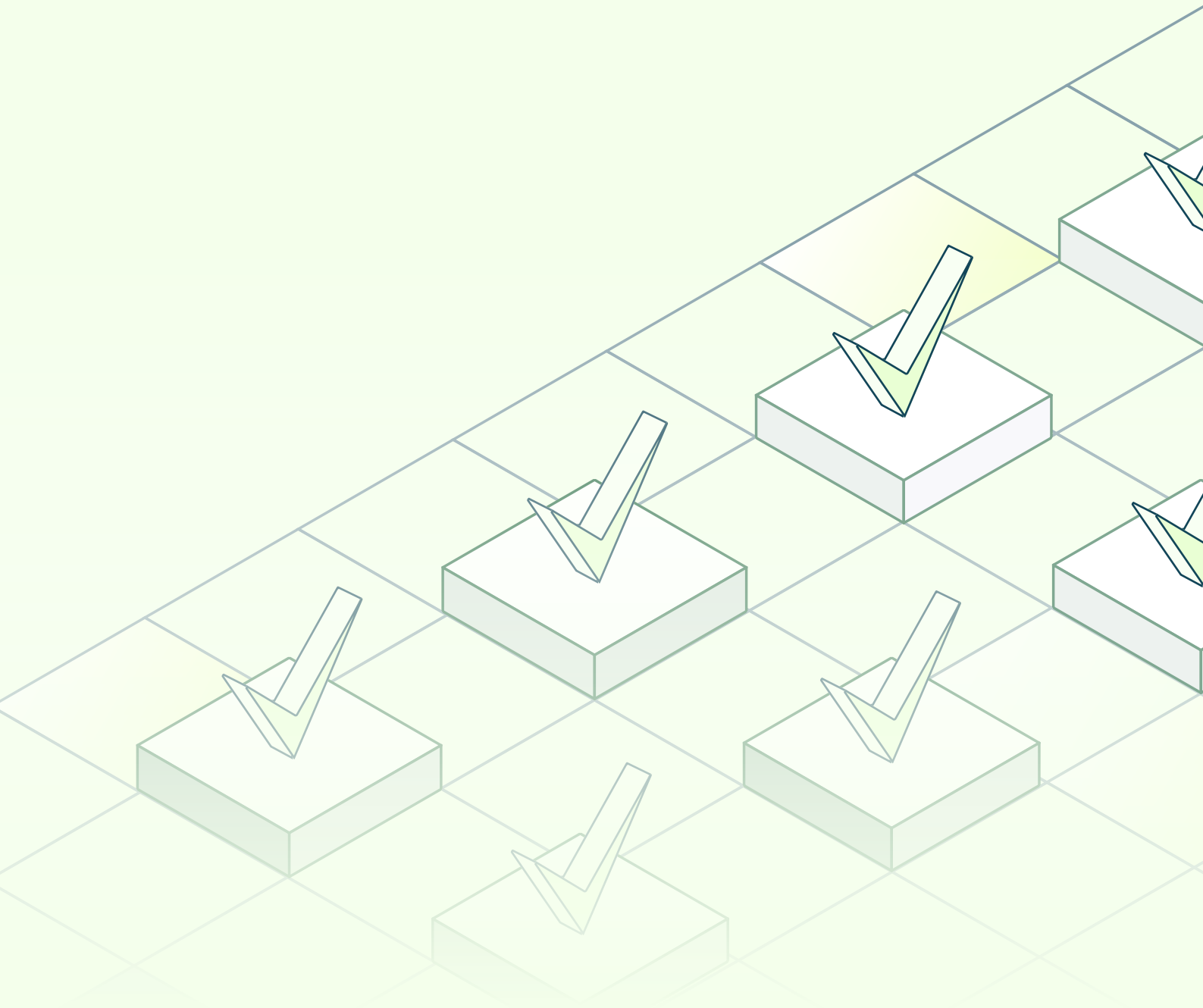
Delivering tailored, seamless experiences to win business customers

B2C retailers excel at offering personalized, seamless shopping experiences, which they can bring into B2B. This approach appeals to business customers seeking modern, convenient digital tools like subscriptions and reordering options.



In summary, by entering the B2B space, B2C retailers can diversify, capitalize on new revenue streams, and leverage their established infrastructure.

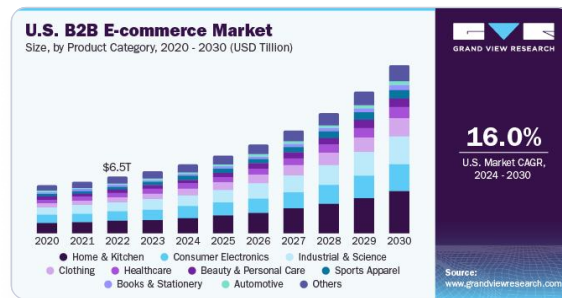
Checklist: How viable is moving to B2B for B2C retailers?



So, you've decided to branch out into B2B? A successful expansion requires careful planning. Here's a quick checklist to help evaluate the viability of extending your business into the B2B space.

Conduct further market research

Looking at your current operations to review demand from business customers, the next step is to take a deep dive into B2B segments relevant to your products and assess their specific needs. As a start, the following graph shows a projection of the US B2B ecommerce market by product category. Then, focus on analyzing competitor presence to gauge market saturation, which can help refine your expansion strategy and competitive positioning.



Source

Evaluate supply chain capabilities

Assess whether your supply chain can scale for larger orders, offer flexible customization, and consistently meet strict delivery schedules. Ensuring seamless integration with B2B procurement systems and negotiating favorable terms with suppliers can help maintain profitability and meet complex buyer demands.

Adapt sales and marketing strategies

Take into account the key difference between B2B and B2C sales and marketing. In general, B2B sales focus on long cycles and relationship-building with multiple decision-makers, while B2C targets quick, individual purchases. However, even with the difference, B2B buyers expect the same experience in B2C. **Qualtrics** found that 65% of B2B customers feel their B2B interactions fall short compared to their experiences as consumers. With 96% of buyers stating that their overall experience influences their decision to buy again, it's crucial to have the right strategy in place.



65%

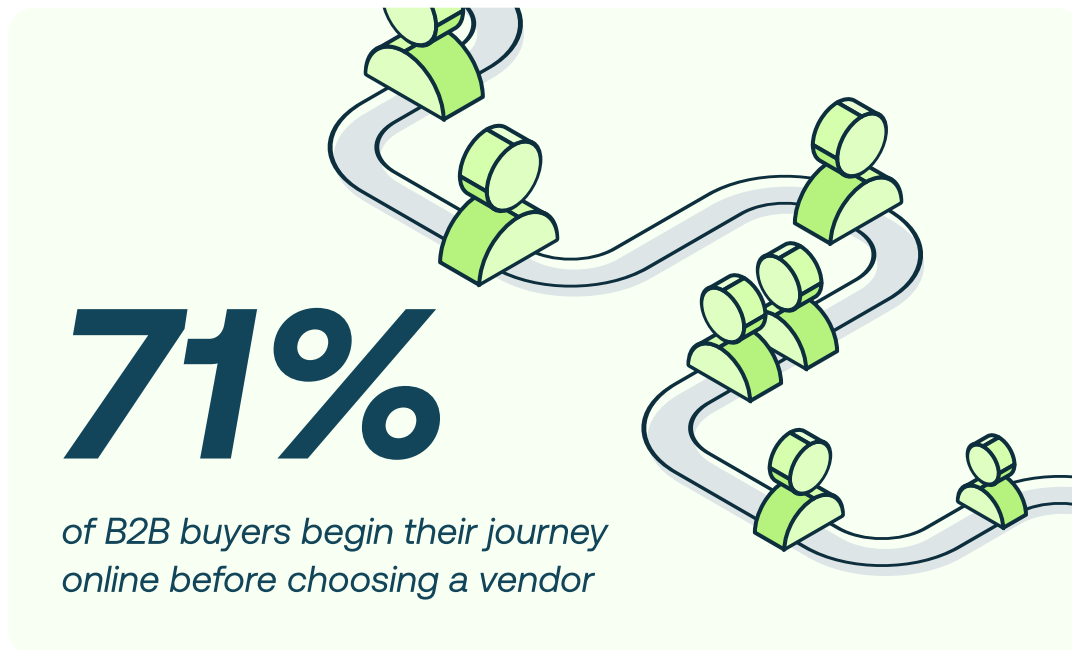
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Regulatory and compliance considerations

It's crucial to review regulatory areas like tax rules, which may shift with implications for sales tax or VAT. Ensure you're handling business customer data in compliance with privacy regulations and check for any industry-specific requirements. You also need to review documentation practices for financial transactions, comply with anti-money laundering (AML) regulations, and assess how you manage credit risk to maintain trust with B2B clients.

Technology infrastructure

Forrester reports that 68% of B2B buyers begin their journey online before engaging with a salesperson, and 71% do so before choosing a vendor. A robust online platform or portal for B2B transactions is mandatory. This includes the ability to handle multi-stakeholder workflows, bulk orders, customized pricing and various payment options, real-time inventory management, and more.

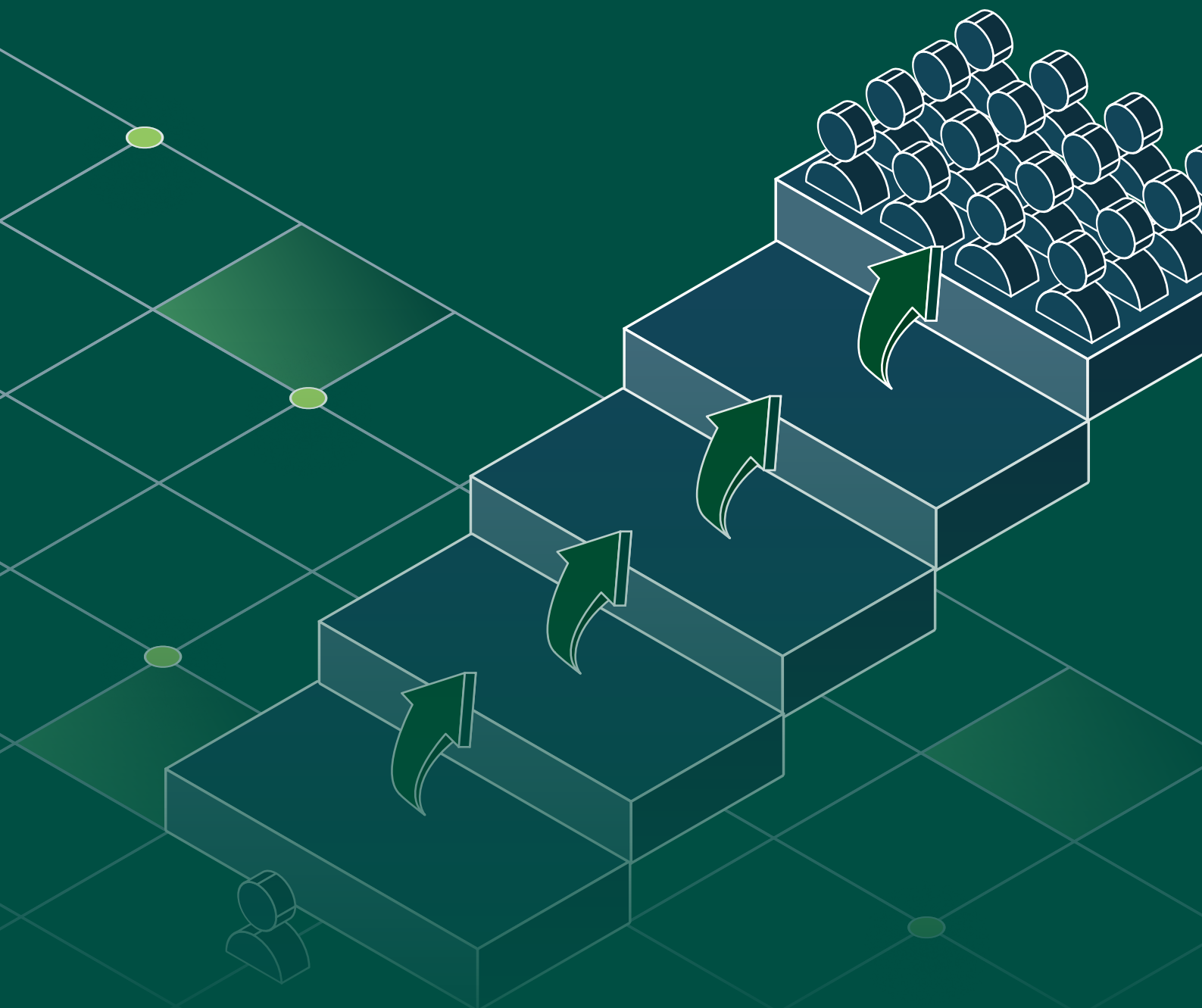


**Customer support
and service models**

Adapt customer service processes to handle larger, more complex orders. According to **McKinsey**, 35% of B2B buyers rated ecommerce as the most effective sales channel, making digital support critical. One way to get started with this is to offer dedicated support teams or account managers for business clients and implement Service Level Agreements (SLAs).

By addressing these areas, while not a comprehensive list, B2C retailers can better determine the feasibility of entering the B2B market and ensure a smooth transition to capitalize on new business opportunities.

5 key steps to make the B2C to B2B transition



Transitioning from B2C to B2B requires a strategic shift in how you approach product offerings, sales, and customer engagement. The key to success is understanding the distinct needs of business buyers and adjusting your operations accordingly. Here are the essential steps, along with actionable tips, to help you navigate the shift smoothly.

1

Adapt your product offerings

Start by reviewing the purchasing patterns of your existing business buyers to identify their needs and preferences. Use these insights to adapt your offerings, ensuring they align with common B2B demands such as larger order volume and tailored product options. This approach allows you to expand on what already works while effectively meeting the distinct requirements of the B2B market.

TIP

Bundle products and introduce tiered pricing to accommodate different business sizes. For example: Walmart's B2B marketplace offers bulk pricing and **tax-exempt accounts** for small businesses, making it easy for them to place large, recurring orders.

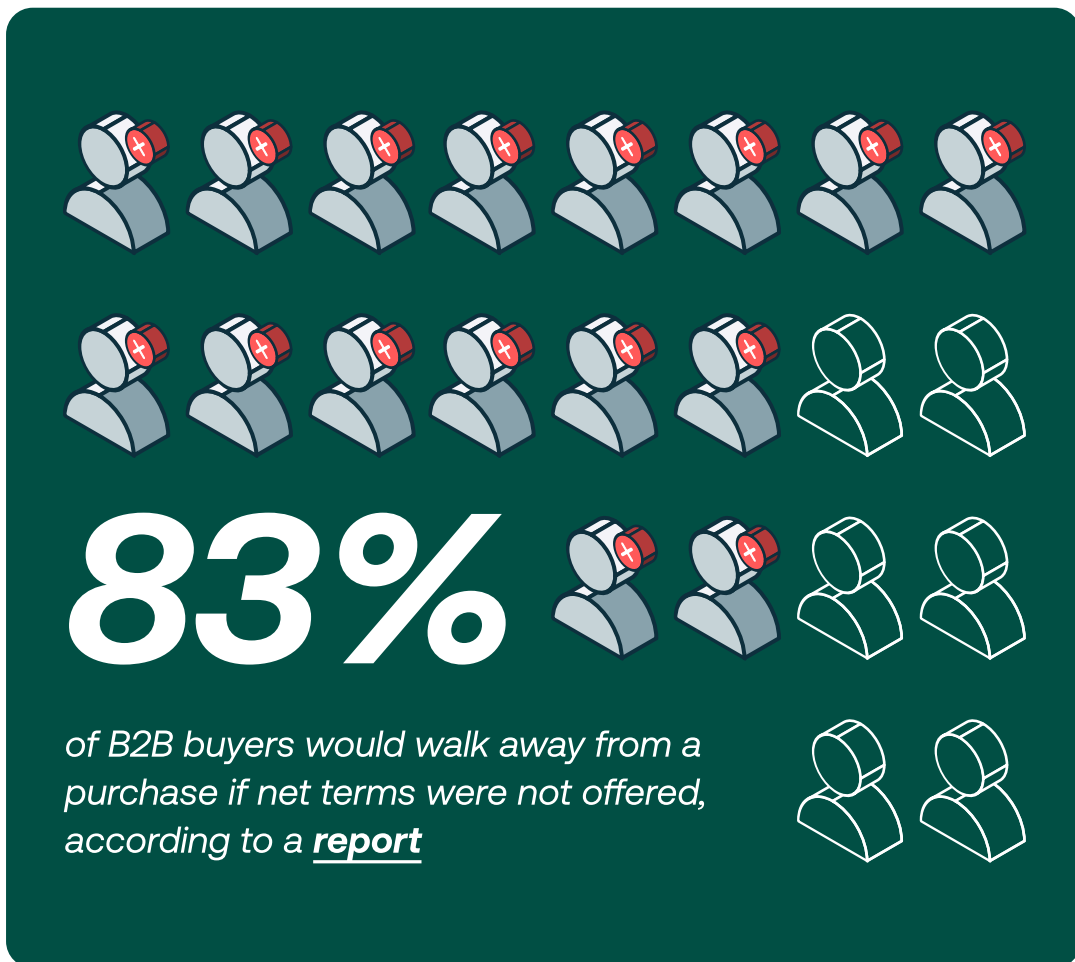
2

Implement flexible payment options

Allowing buyers to pay by invoice and on net terms can ease the buying process for businesses, which often prefer not to pay upfront. Enabling buyers to choose among different payment methods such as cards, ACH, and bank wire provides them with the convenience that they expect from the B2B purchasing journey.

TIP

Retailers often choose to adopt an online trade credit solution to offer payment by invoice and a range of payment terms, such as net 30 or net 60. With integrated software that automates the net terms process from start to finish, they are able to provide a seamless deferred payment experience for their B2B buyers.



3

Upgrade your sales and support strategy

B2B buyers expect a high level of customer service, often requiring technical support and longer sales cycles. Train your team to handle these expectations and provide personalized support. Additionally, invest in sales training that focuses on relationship-building, handling complex negotiations, and managing multiple decision-makers.

TIP

Build a specialized sales team equipped to manage the unique needs of your buyers. For example, **Best Buy** adjusted its Geek Squad to support B2B clients, providing IT consulting and tailored procurement services to businesses.

4

Invest in technology to streamline B2B operations

Managing B2B orders requires systems that handle larger volumes, complex pricing, and recurring orders. Investing in the right technology can automate these processes.

TIP

Partner with a systems integrator to implement a B2B ecommerce solution. An experienced integrator can connect the systems required for B2B commerce, automate key processes such as ordering and invoicing, and provide expert guidance aligned to your B2B growth strategy.

5

Optimize marketing for B2B audiences

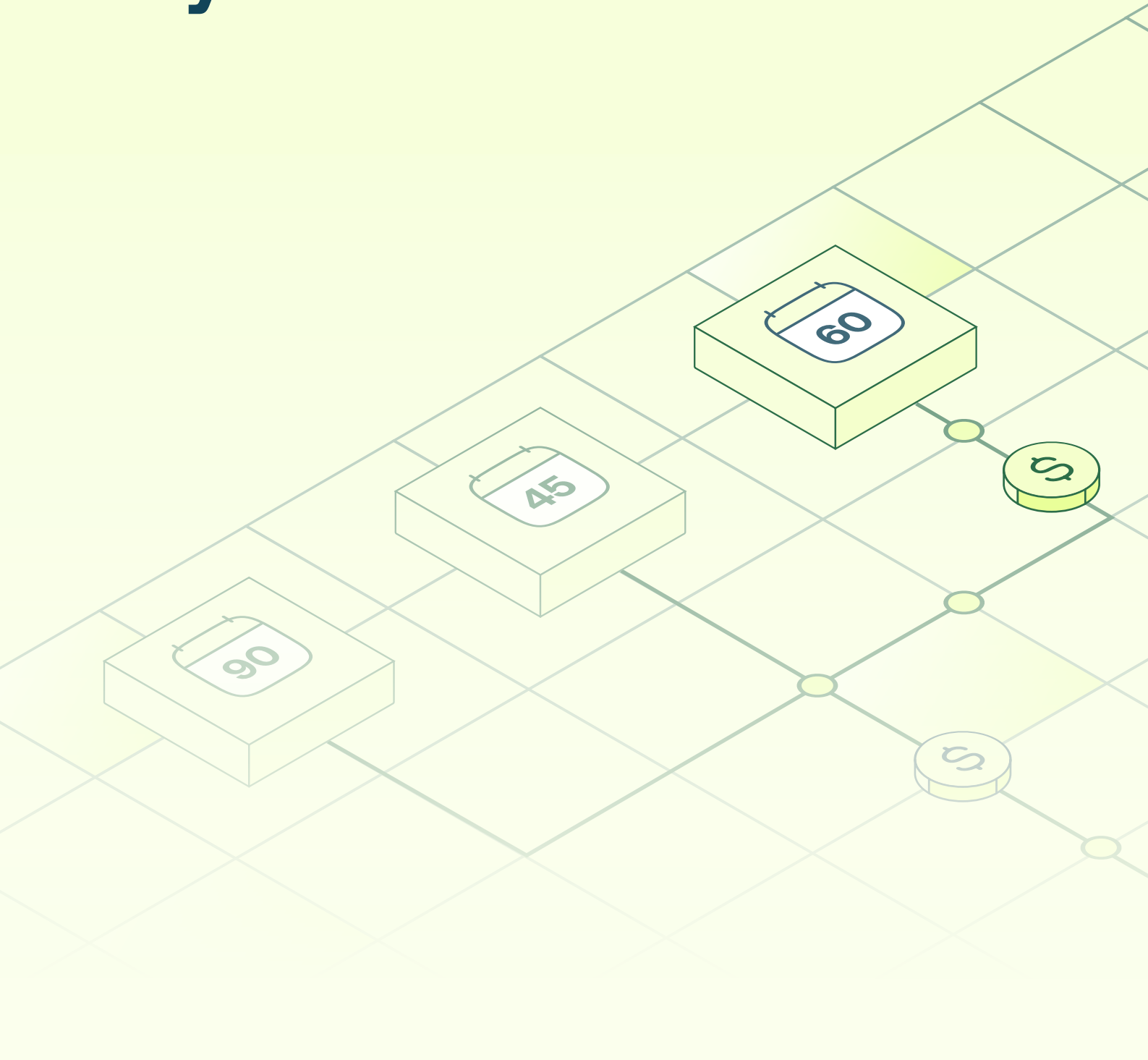
B2B buyers prioritize ROI, efficiency, and long-term solutions over emotional appeals. Shift your marketing to focus on solving business pain points with measurable value.

TIP

Adobe shifted from a primarily consumer-based software company (focused on products like Photoshop) to a B2B giant with Adobe Experience Cloud. They transitioned their marketing to highlight enterprise solutions, using case studies, testimonials, and interactive webinars to showcase the business impact of their solutions.

By considering these tips, you're a step closer to being well-equipped to navigate the B2C to B2B transition, unlocking new growth opportunities while catering to business buyers' unique needs.

Why offering net terms can make or break your B2B success



While the idea of expanding into B2B and putting in the infrastructure to do it right sounds appealing, it's not without its challenges. Many B2C leaders understand the need to evolve, but reworking their financial model to extend trade credit or offer net terms can make them hesitate.

Offering net terms online 101

Unlike consumers, B2B buyers typically expect flexible payment options like net terms (30, 60, or 90 days), allowing them to pay after a set period rather than upfront. This flexibility is crucial for managing cash flow, especially for larger or recurring purchases. Offering flexible payment terms can lead to stronger customer relationships and drive meaningful business growth.

Four reasons to offer net terms in your B2B strategy



Meet industry expectations.

Offering net terms is a standard practice in B2B and can help capture market share.



Increase sales and order value.

Buyers are more likely to make larger purchases when given flexible payment options.



Create a competitive advantage.

Flexible terms help you stand out from competitors, especially among SMBs.



Improve customer cash flow.

Net terms provide businesses the time they need to manage cash flow and grow more effectively.

Challenges in offering net terms

However, offering net terms comes with challenges, including accounts receivable (AR) overhead, where managing creditworthiness, invoicing, and collections can strain resources. There's also the risk of cash flow disruption due to delayed payments, potentially leading to liquidity issues. Lastly, retailers face the risk of bad debt, with a recent [report](#) showing that around 10% of B2B credit sales may become uncollectible. Therefore, retailers must balance the benefits of net terms with proper credit risk management to avoid financial losses.

What's the best way to meet the challenges in offering net terms?

To overcome the challenges of offering net terms and drive sustainable growth, efficient AR operations and robust credit risk management are essential. A key decision in achieving this is whether to build an in-house AR team to handle tasks like credit risk assessment and net terms management, or to partner with a solution provider. Below are **key challenges and factors to consider** when making this choice.

Should you build in-house or buy a net terms solution?

The cost of building an AR infrastructure

IN-HOUSE

Building an AR team requires significant staffing and costs. As your B2B business grows, so does the need for more resources, making it expensive to scale.

VS

PARTNERING WITH BALANCE

Balance automates onboarding, invoicing, and collections, reducing the need for a dedicated AR team while offering the payment terms your buyers expect.

Your risk exposure

IN-HOUSE

Accurate credit risk assessment demands expertise and time. Relying on static data can expose businesses to bad debt, and late payments are common. In-house, your company bears the full risk of customer defaults.

VS

PARTNERING WITH BALANCE

Balance takes on the risk for approved buyers, paying you upfront and handling defaults, and allowing you to focus on growth without worrying about cash flow.

Time to approval

IN-HOUSE

Cart abandonment is common in B2B due to inconvenient payment options. Offering net terms at checkout can help reduce this, but approval processes are often slow, creating friction.

VS

PARTNERING WITH BALANCE

Balance's instant credit assessments allow net terms approval within seconds at checkout, improving buyer satisfaction and reducing cart abandonment.

Approval rates

IN-HOUSE

Traditional credit assessments rely primarily on credit bureau data, as more in-depth analysis can incur additional costs. As a result, approval rates tend to be low, particularly for SMBs.

VS

PARTNERING WITH BALANCE

Balance uses AI-driven underwriting to significantly boost approval rates, capturing more opportunities and driving growth through automated credit management.

Time to market

IN-HOUSE

Building an AR infrastructure takes time, potentially allowing competitors to gain an advantage.

VS

PARTNERING WITH BALANCE

Balance gets you up and running in 3-6 weeks, fast-tracking your ability to offer credit terms and grow your business.

Capture the potential for growth in B2B

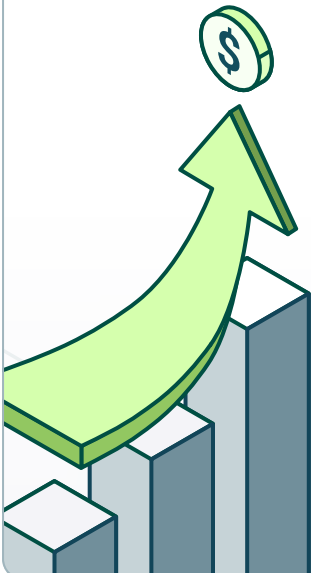
For B2C retailers expanding into the B2B space, offering net terms is essential to enhance buyer satisfaction and drive sales. While managing credit and accounts receivable (AR) can be complex, automating these processes reduces overhead, mitigates credit risk, and improves cash flow. A comprehensive solution that handles approvals, billing, and collections ensures steady cash flow, eliminates bad debt, and allows businesses to scale with reduced complexity and risk.

ba/ance

Balance is the leading B2B payments platform, empowering businesses to drive revenue through scalable net terms programs. Balance combines net terms financing, AI-powered credit risk management, billing, and AR automation to help merchants deliver best-in-class payment experiences. Global enterprises leverage Balance's unmatched flexibility, advanced APIs and top-tier SMB support to grow with reduced overhead and zero credit risk.

RED VAN

Red Van is the foremost leader in ecommerce consulting and custom systems, building solutions that enable businesses to succeed in the digital marketplace. We truly operate as a collection of artists, engineers and architects, assembling each team to meet the unique needs of the client. Since our inception in 2012, our digital ecommerce experts have launched more than 400 sites.



Looking to launch or scale your net terms program to drive growth?

Book a call with a Balance expert to explore automated solutions that support sustainable expansion.

[Talk to an expert →](#)