



EBOOK

Accelerating commerce maturity for distributors

How B2B distributors streamline digital commerce transformation with Optimizely and Affiliated Distributors



Introduction

Independent distributors offer a compelling and unique value proposition to win customers and to gain market share against large national distributors and big box retailers. Customer service, product knowledge and training, community engagement, and a commitment to help customers grow have been the keys to independent distributors' success. The competitive landscape is shifting to include e-commerce as a key lever to future growth and success.

Independent distributors are refining their growth strategies to increase revenue through digitally enabled customer relationships to extend their value and to compete and win against the large nationals. Now more than ever, independent distributors need to shape their businesses to fit the needs of millennial and Gen Z buyers who want to transact online. According to TrustRadius, **100% of buyers demand self-service options, which is up 13% since 2021.** Growing independent distributors are keen on enhancing online product and service experiences and improving fulfillment efficiency as core value drivers to business growth, while still serving high-touch 1:1 over-the-phone sales.

The pandemic played a key role in accelerating digital commerce for independent distributors, propelling them to go all-in on customer experience, self-service, and data unification to stand up a modern e-commerce experience. However, the pandemic, and its emergency measures, have reached an official end.

Now, the digital commerce landscape remains distinctively influenced by pandemic-driven behavior. In a survey conducted by McKinsey & Company, B2B mobile orders have increased 250% since before the pandemic, proving your business customers are choosing more convenient methods of online purchasing and invoking the need for omni-channel commerce experiences. Further, independent distributors are investing in initiatives like mobile-enabled vendor managed inventory to reach a greater portion of their audience directly through their mobile devices. Additionally, independent distributors are encountering a new, demanding phase of digital commerce where personalized experiences and simple, one-page checkout are persuading and retaining customers.

Through relationships with hundreds of independent distributors, Optimizely and AD project that independent distributors investing in **data and self-service strategy, personalization, and scalable purchasing experiences that foster retention** will see the highest returns moving forward.

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Improve modern e-commerce execution with Optimizely and AD

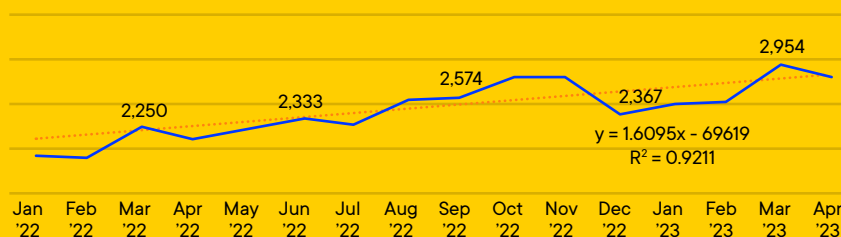
To ensure the AD community of distributors see lasting digital commerce results, Optimizely emerged as the premier AD e-commerce software partner to understand, invest, and help execute core e-commerce use cases for growing independent distributors. With Optimizely recognized as a 4x Gartner leader in Digital Experience Platforms, AD entrusts Optimizely to provide market-leading expertise and SaaS commerce technology to accelerate revenue generation for independent distributors committed to digital transformation.

By partnering, Optimizely and AD unify:

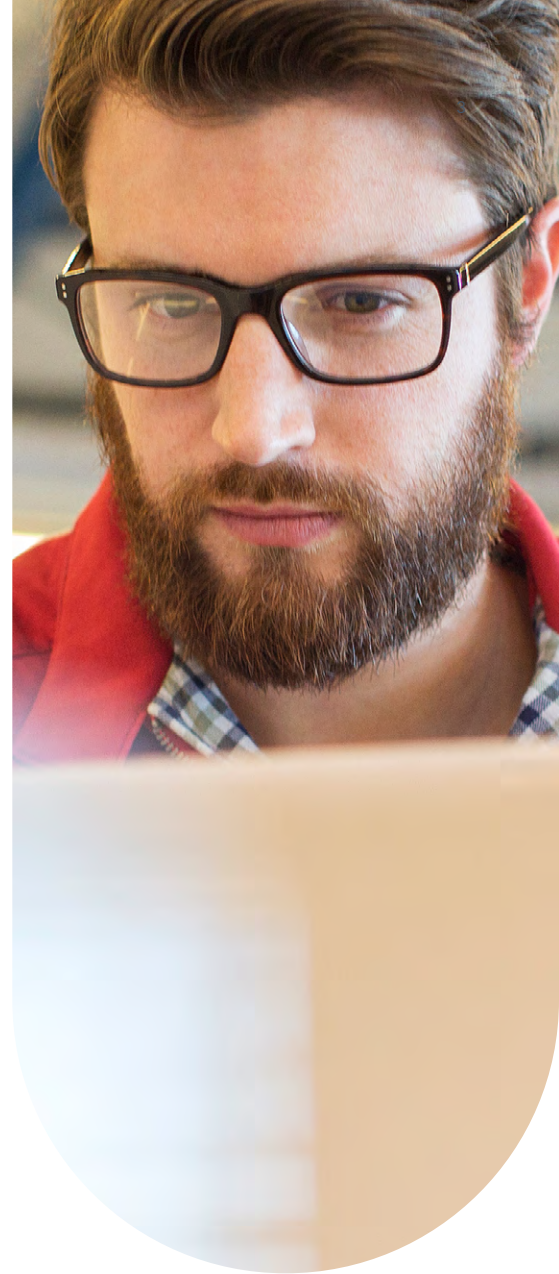
- Best in class technology, top implementation partners with AD eContent Services to accelerate and scale digital commerce results
- Market-leading commerce strategies and tactical best practices from our Optimizely Customer Advisory Board and AD Digital Success team
- Ongoing strategic account support, services, and ongoing technology innovation built specifically for B2B results

Since partnering, we continue to see accelerated e-commerce growth among AD members using Optimizely. By combining the Configured Commerce solution from Optimizely and strategic account support and eContent from AD, AD independent distributors saw a 58% higher transaction rate from January 2022 to April 2023 compared to non-AD members (Optimizely Data Team).

Avg Trans/Client



Number of transactions are seen as a key indicator of success for B2B e-commerce growth. The 58% increase in growth rate of transactions from AD members that are Optimizely customers is likely, but not definitively, associated to use of AD eContent capabilities in combination with Optimizely's Configured Commerce offering.



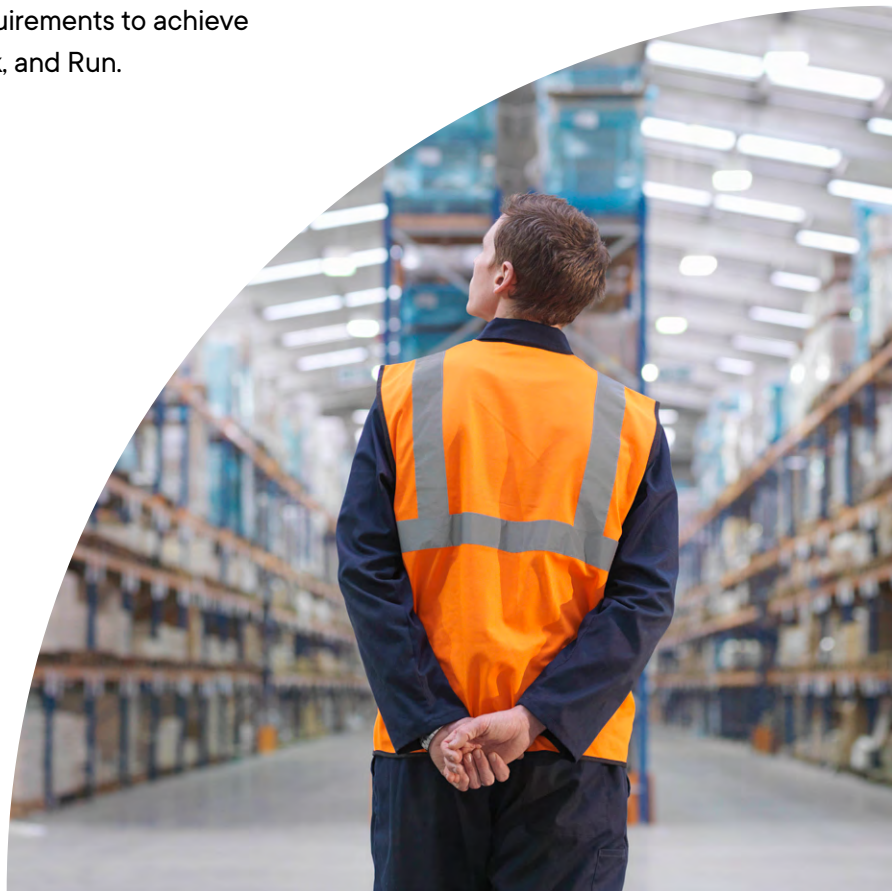
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Getting started: Understanding your B2B commerce maturity

To help you highlight a path to success and navigate the grey areas of what creates revenue in B2B commerce, Optimizely and AD built the B2B Digital Commerce Maturity Framework.

Our framework was created to identify the key requirements across team and culture, and operations and execution that are critical to independent distributors' success at each unique phase of their digital acceleration. Additionally, we compare online order volume to total order volume at each phase of maturity. Using our maturity framework to self-identify the current state of your business, you can understand how your business can achieve a results-oriented digital commerce function.

In the framework, our phases of maturity and the requirements to achieve each respective state are represented by Crawl, Walk, and Run.



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Understanding Crawl, Walk, Run

Crawl, Walk, and Run represent unique phases of digital commerce maturity and transformation identified across Optimizely's and AD's customer base. To understand where you fit, we have highlighted distinctive business characteristics of each level of maturity.

In some cases, you may have a mix of maturity characteristics. For example, you may be in the Walk stage of strategy but remain in the Crawl stage of execution. The maturity framework should help you pinpoint which areas may be lacking investment or support that slow the overall evolution of commerce programs.

Characteristics of Crawl

If your organization is or has been skeptical of the value of digital commerce versus historical results of offline and phone-based sales relationships, you might be in the Crawl phase.

Organizations at this level have launched an e-commerce presence in the last 6-18 months. Technologically, Crawl organizations often have limited experience and/or resources dedicated to integrating an ERP with Product Information Management (PIM) solutions, used to connect meaningful product specification data to commerce sites. Crawl organizations are often looking to increase organizational e-commerce knowledge and leverage SaaS technology to build and retain a customer base online. Technology and implementation partners are essential to Crawl organizations to manage end-to-end processes to bring digital commerce solutions to market.

Characteristics of Walk

If your organization currently offers e-commerce and has refined a growth strategy that includes integrating robust sets of products and/or customer data into your site used for personalization and customer segmentation, you may be in Walk.

Walk organizations have adhered to the market appetite for digital e-commerce and are adamant on delivering more advanced customer purchasing experiences at scale. If using point solutions or SaaS providers that lack strong self-service capabilities, organizations at this phase may be met with varying program results. Walk organizations have varying amounts of executive-level buy-in to invest in e-commerce. Without a strategic partner, organizations may face challenges to prove ongoing value to secure ideal e-commerce resourcing or investment. Further, if working with a non-leading e-commerce solution, organizations may run into challenges with site performance and poor customer online experiences, and struggle to produce personalized shopping and checkout experiences.

Characteristics of Run

Organizations that fit into Run are deeply experienced in commerce deployment, have depth-of-knowledge across their organization to grow a commerce strategy, and are often seen as leading the market in customer experience innovation.

Organizations in Run have total organizational commitment to investing in digital commerce as the leading revenue source for company growth. Independent distributors in Run will partner with long-term software providers and partners to implement a robust self-service and personalization strategy to increase sales. If you are focused on optimizing program results using product, customer, and e-commerce performance data, you are most likely in Run. Run organizations are future-thinking and are challenged to maintain and increase results of high-performing campaigns. To do this, organizations at this phase will consider focusing on content and commerce experimentation and data-driven optimization across the entire customer experience.






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Using the framework

As you forge your path to commerce growth, our B2B Digital Maturity Framework outlines business-critical functions needed to build a foundation for optimal growth. You can use this framework to assess your current maturity and what is needed to succeed at each consecutive phase of growth.

AD member alignment / Digital maturity framework

	 Build your commerce foundation CRAWL (<10% Adoption)	 Test & learn WALK (10-25% Adoption)	 Optimize & accelerate RUN (>25% Adoption)
Strategy	Foundational strategy; established KPIs, partners, and vendors.	Evolving strategy; established product data standards and implemented with partners and vendors.	Long-term (3-5 years) strategy with roadmap focused on digital commerce advancement.
Culture & organization	Selected core project team; leader assigned to deployment and championing of digital commerce supported by partners and vendors.	Leadership championing digital commerce; cross-departmental buy-in on omnichannel commerce as core to revenue generation.	Role specialization and development; digital-first growth roadmap.
Operations & execution	Developing best practices with partner and vendor support.	Established best practices with support through AD eCommerce Network groups and Optimizely; invested in performance analytics to optimize growth.	Utilizing advanced AD eContent; expanding with AD Commerce partners; clear growth KPIs.

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Applying software best practices for your maturity level

Now that you have a deeper understanding of where you currently stand as a business and the strategic path forward, let us take a closer look at the technology needed to reach improved digital self-service, personalization, and customer experience for retention.

As Optimizely and AD partner with hundreds of independent distributors, we have identified common technological milestones that are essential to commerce success. These include:

- **Integrating your ERP** (enterprise resource planning)
Integrating your ERP into your e-commerce software connects product, inventory, and pricing data to stand up your e-commerce site.
- **Participating in AD eCommerce Solutions**
Independent distributors leveraging AD eContent receive categorized, normalized, and updated product content so you can allocate resources to other activities to drive growth.
- **Enabling self-service**
End-customers must be able to complete a purchase online without interacting with a salesperson. Additionally, enabling re-purchasing, invoice reviewing, and 24/7 purchasing. Over time, organizations should focus on easing the purchase experience across browsing, cart, and checkout.

After establishing these core functions, here is how independent distributors should think of their maturity and usage of specific e-commerce functionality.



	Crawl	Walk	Run
Self-service	<ul style="list-style-type: none"> • Product catalog • Product, brand, and content-enabled search • Basic checkout experiences • User management • Access to order and invoices • Basic GA4 live 	<ul style="list-style-type: none"> • Order management with order history and reordering • Customer and account-specific checkout with customized landing page flow, shipping, payment options, and guest checkout capability • Onsite search optimization • Order approval workflows • Quote workflow 	<ul style="list-style-type: none"> • One-page checkout • Content management with publication workflows to accelerate content publication to 4-5/month • Advanced CPQ • Integrated language models (chatgpt) • Refining product data standards

Crawl

Independent distributors in Crawl should meet minimum requirements to enable scalable online purchasing. In Crawl, your core focus should be connecting your product catalog to your site to allow customers to easily browse and purchase products. Further, focusing on product, brand, and content-enabled search helps consumers easily identify desired products or content. Lastly, user management with access to orders and invoices enables seamless purchasing.

Walk

Walk customers should focus on streamlining the user checkout experience; enabling customized checkout landing page flows, payment options, and guest checkout increases the likelihood of conversions. Additionally, order approval and quote workflows help buyers purchase confidently while receiving accurate quotes that accelerate the purchase cycle.

Run

In self-service Run, Independent distributors should invest in creating easily digestible content to drive user engagement and increase conversions. Additionally, more advanced checkout experiences like one page checkout streamline purchasing. In Run, it becomes more important for independent distributors to uphold and advance product data standards to increase product data accuracy and relevancy that improves the customer experience.

AD + Opti Customer Spotlight:

Cooney Brothers (currently in Walk)

An Optimizely customer since 2021 Cooney Brothers, an industrial equipment supplier based out of Montgomery County, Pennsylvania, is dedicated to making commerce a core drive of future business. Focusing on self-service to increase online sales, Cooney Brothers enables **Quick Order and Guest Checkout** to streamline customer purchasing. By strategically investing in the customer experience, Cooney Brothers has seen exceptional results in total online sales growth led by self-service.

55% **88%**

YoY increase in
monthly online
orders

increase in self-
service events
Jan '23 – March '23



The Optimizely Groups at the AD summit are great forums to exchange ideas and learn from other users.”

Jake Fegely

Chief Operating Officer,
Cooney Brothers, Inc.



COONEY BROTHERS, INC.
PIPE VALVES FITTINGS



● Reports

● Transactions

● Order History

05/22
#13H725

05/18
#125N82

05/04
#273KB9

Order Summary

● Shipping

● Payment

● Promos

Form details ▾

Product ID

#13H725

Shipping status

Pending

	Crawl	Walk	Run
Personalization	<ul style="list-style-type: none"> • Customer-specific catalogs, pricing, terms, and shipping • OOB product recs • Customer-specific part numbers • Personalizing homepage for authenticated customers 	<ul style="list-style-type: none"> • Advanced search; boost and bury by order history by customer • Saved carts • Segmentation (1-3 segments) • Targeted content and promotions 	<ul style="list-style-type: none"> • AI-generated personalized promotions and content • Segmentation (4+ segments)

Crawl

Independent distributors in Crawl should look to have catalogs, pricing, terms, and shipping personalized per customer; making it easier to consistently identify and purchase products. In addition, independent distributors should use Product Recommendations to increase user engagement with relevant product content. At Crawl, your homepage should be personalized for authenticated users to deliver meaningful and relevant content.

Walk

Independent distributors in Walk are focused on increasing revenue through user engagement; launching advanced search capabilities with boost and bury, while targeting content and promotions to individuals and buyer segments will grow bottom line revenue.

Run

Independent distributors who lead the market in personalization may consider partnering with a software partner like Optimizely to engage in the development of AI-driven promotions. Currently a newer consideration for personalization strategy, AI-driven promotions create offers based on analyzing segments of consumers and their behaviors to generate a promotion that is the most likely to convert. Additionally at this level, independent distributors should advance their segmentation to use 4 or more segments, helping create more targeted engagement that drives spend.

	Crawl	Walk	Run
Retention	<ul style="list-style-type: none"> • Product recommendations • Strategy • List management user-specific and collaborative • Quick order and order upload 	<ul style="list-style-type: none"> • Abandoned cart Emails • AI-driven Optimizely product recommendations • Mobile commerce • List-building for customers • Punchout • Analytics for user and site optimization 	<ul style="list-style-type: none"> • 10+ customers using Vendor Managed Inventory • 3-5 A/B testing experiments per month • Rewards-based loyalty programs

Crawl

Independent distributors in Crawl should continue to develop their Product Recommendation strategy to drive increased revenue. At this stage, List Management allows customers to easily order products without starting from scratch, and at the same time streamline checkout speeds. Quick Order capabilities take this a step further allowing customers to upload orders directly to the site to make the purchase process shorter, more reliable, and predictable.

Walk

Independent distributors in Walk must focus on using personalized multichannel engagement to create additional value for existing customers while easing purchasing operations. Abandoned cart emails can help increase sales while investing in mobile commerce enables purchasing directly from the mobile device. Punchout capabilities streamlines the purchasing process, improves efficiency, and ensures consistency in procurement procedures. Additionally, list-building on customers' behalf has been shown to increase customer satisfaction.

Run

Independent distributors in Run are enabling omnichannel commerce through online, mobile, and other relevant channels. Key initiatives here include launching a VMI program to keep customers shelves stocked, increase product availability, and enable growth of wallet share.

AD + Opti Customer Spotlight:

MARS Supply (currently in Walk)

An Optimizely customer since 2020, MARS Supply is a mid-western U.S. (United States) industrial supplier who is diligently investing into their e-commerce program. MARS uses Optimizely's **List Management** functionality to build lists for customers to increase reorder rates and improve customer satisfaction; at the same time, leaning on **Quick Order** functionality to ease ongoing purchasing.

10% **336%**

of all company
revenue attributed
to online

increase in total
online revenue in 1st
year with Optimizely

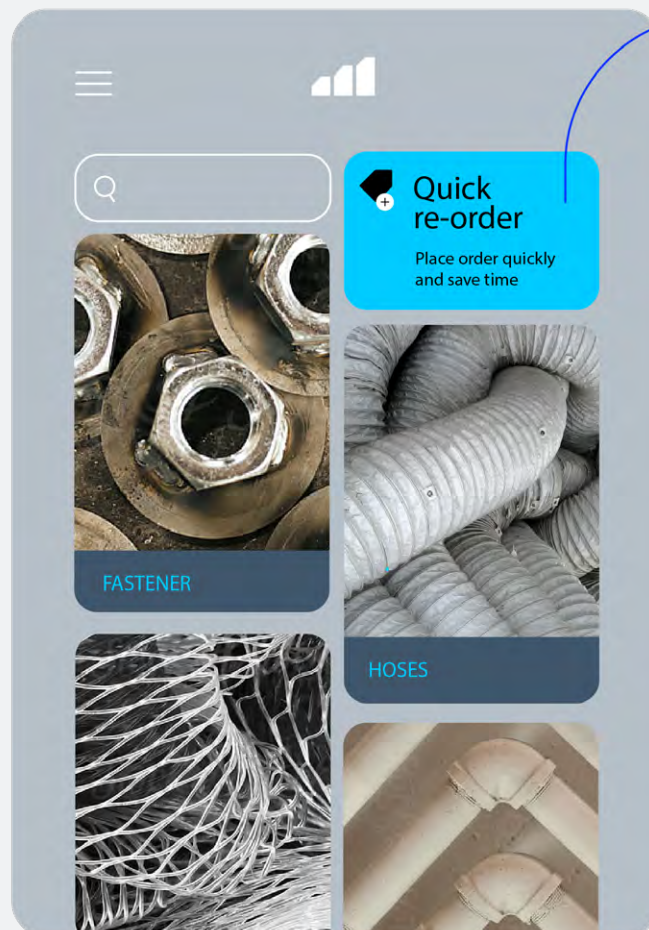
Moving forward, MARS wants 25% of total sales to occur online. To help achieve this, they're investing in rewards-based loyalty programs.



We started our rewards program in 2023, customers earn points for every dollar they spend, no matter where the transaction occurs...we're above our goal for reward program adoption and are targeting 10% ROI in 2023."

Peter Naleid

Marketing & E-Commerce Manager,
Mars Supply | Conveyor
Belt Service, Inc.



3x

Order count using
product lists
based on order history



JAN 9
Mon 6:30p

FEB 5
Wed 6:00p

MAR 7
Thu 7:30p



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Conclusion

If not now, when?

It has never been more important to execute on B2B e-commerce strategy. McKinsey and Company reported that, for the first time, B2B companies are more likely to offer e-commerce than in-person selling. To compete now and in the future, independent distributors must enable a sophisticated yet simple online purchase experience that converts your buyers from what was previously phone-in purchasing to managing the entire relationship directly online. High-performing sales teams should be supported with and complimented by a robust e-commerce offering that makes it easy to submit orders on behalf of their customers, simultaneously, making easier to adopt internally. To ensure you achieve growth of your commerce investment, you must adhere to these actions:

- 1) **Get your organization on your side:** Use Optimizely and AD's maturity framework to understand exactly what needs to be done to grow commerce results so you can build a robust business case with outlined targets to achieve broader organizational buy-in.
- 2) **Champion e-commerce:** The future of B2B is enabling high-volume online purchasing that is personalized, easy to execute, and rewards customers for their loyalty. Investing in self-service and a data strategy that promotes individual and account-level personalization are essential to repeat visits and long-term success of your program.
- 3) **Embrace omnichannel strategies:** Your business customers are everywhere: desktop, in-store, mobile; to achieve high-performing sales, you must be present in multiple channels and connect those experiences through unified customer data. Investing in mobile commerce and robust online customer experiences will extend the reach of your business to everywhere your customers are.
- 4) **Double-down with your partners:** independent distributors should seek to use an e-commerce platform that is built for results. This includes choosing software vendors offering PIM solutions like AD eContent, streamlined ERP integrations, and continued strategic account support to get the highest ROI from your SaaS commerce investment.

Reach your desired e-commerce state with proven leaders

At Optimizely, our customers' success is our only priority. It is what powers future innovation and allows us to continue to learn and optimize e-commerce experiences that grow your business and allow us to invest in solutions that engage modern buyers.

To power your e-commerce programs, Optimizely's Configured Commerce solutions is a headless SaaS commerce platform purpose-built to deliver outcomes for manufacturers and distributors. Using Configured Commerce, you can:

- Deliver end-to-end self-service commerce as quickly as possible with comprehensive and flexible configuration
- Personalize customer experiences with content that resonates with buyers
- Manage product catalogs, orders, and content from a single interface
- Connect Product Information Management with your ERP to unify product data
- Enable your business with out-of-the-box features that automates best practices for digital growth

By partnering with Optimizely and AD, you align strategy to execution to ensure you see meaningful ROI from your e-commerce investments; helping your organization attain market leadership with proven results. Schedule a demo with Optimizely below to learn how we can help you achieve ideal-state commerce functionality that moves your business forward.

About AD

AD is the largest contractor and industrial products wholesale buying group in North America. AD provides independent distributors and manufacturers of construction and industrial products with support and resources that accelerate growth. Our 850-plus independent owner/members span 14 divisions in the U.S., Canada and Mexico with annual sales exceeding \$70 billion. AD's 14 divisions cover industries including electrical, industrial, safety, bearings and power transmission, plumbing, PVF, HVAC, decorative brands and building materials. For more information, visit www.adhq.com.



At Optimizely, we're on a mission to help people unlock their digital potential. We do that by reinventing how marketing and product teams work to create and optimize digital experiences across all channels. With our leading digital experience platform (DXP), we help companies around the world orchestrate their entire content lifecycle, monetize every digital experience, and experiment across all customer touchpoints. Optimizely has 700+ partners and nearly 1500 employees across our 21 global offices. We are proud to help more than 10,000 businesses, including H&M, PayPal, Zoom, Toyota, and Vodafone, enrich their customer lifetime value, increase revenue, and grow their brands. At Optimizely, we live each day with a simple philosophy: large enough to serve, small enough to care. Learn more at **Optimizely.com**