



# B2B eCommerce Essentials for Electrical Components Distributors

A checklist of customer-focused features to consider while building a B2B eCommerce website.

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# I. INTRODUCTION



The US electrical products wholesalers industry 14,500 establishments includes about [single-location companies and units of multi-location companies] with combined annual revenue of about \$155 billion.

## Significance of your brand in the market

As an electrical component distributor, you play a pivotal role in the multi-billion dollar electrical industry's supply chain. Companies like yours serve as a vital link between the component manufacturers and industries like construction, manufacturing, utility, telecommunications, and hardware retailing that happen to be the largest procurers of the products sold by your brand. They need a highly precise delivery of their products to keep their supply chain optimized.

## Challenges faced by growing and mid-sized electrical distributors

The US Electrical Distribution / Wholesalers industry is evaluated at \$155 billion as of the last quarterly update (June 2020) by firstresearch.com. The good news is that the industry is growing.

However, there lies a challenge for growing and mid-sized electrical distributors. Nearly 50% of the revenue goes to the top 50 distributors in the US, making it difficult for the rest.

Smaller companies have one advantage, however: the ability to offer specialized products or to offer unparalleled customer service. Here's where eCommerce chips in. With an eCommerce store in place, you can make it easy for procurers to buy online at their convenience, and there is a lot more space to innovate. Let's dive in deep.

## II. B2B Site Requirements for Electrical Distributors

How exactly should you approach an eCommerce site for your customers? What are the requirements?



### Tools for Efficient Buying

Above all else, a website should make it easier for buyers to place an order, and feel confident that it will be received at their facility at the precise moment it is needed. That buying process is composed of specific steps:

- The ability to create and manage accounts - A company may sign a contract with you and register for your site, but new buyers and purchasing agents will come on board or leave the company on a regular basis. Your customers will need the ability to manage their accounts, add new users, set spending levels, and so on. When it comes to managing their accounts, self-service is essential.
- Upload a bill of materials (BOM) - Busy purchasing agents don't have the time to order all of the materials, sub-assemblies, intermediate assemblies, sub-components, parts -- along with the desired quantities -- from a product catalog. They need the ability to upload a spreadsheet of their BOMs.

- Refine product searches - With literally millions of SKUs in a product search, it's not easy to pinpoint the exact product needed. Your site's search functionality should be robust, allowing users to filter by manufacturer's name and product category, in addition to the part number.
- Request a price quote - For some products, especially if they're no longer manufactured or difficult to find, prices fluctuate throughout the day. Your site should make it very easy for your customers to request and receive a quote needed items.



## Marketplace Support

Marketplaces are gaining a bigger slice of the electronic components distribution market. Companies that rely on industrial equipment will always be in need of new parts and replacement components, and marketplaces like 'Amazon Business' make it easy to search the web, find what they need, and place a single order for everything they need.

You may think of Amazon Business as a consumer-facing site, but it is a major supplier in the automotive, electrical, electronics, and many other sectors.

Marketplaces are also an important tool for introducing your brand to new buyers. New customers may discover you via a Google search that brings them to a marketplace, but once they start doing business with you regularly, you can convert them to your site.

This means your eCommerce platform should allow you to set up satellite stores on digital marketplaces, along with analytics to help you assess which store brings you the best and most profitable users.



## B2C Support

The electrical equipment repair service market is experiencing rapid growth due to the boom in the manufacturing and sale of electrical products worldwide. This market is huge.

Other entities that fit into this category include electricians, contractors, architects, engineers, and lighting designers.

Many of these customers are small operations who will purchase components to meet the requirements of a single job, and require more of a B2C website experience.



## Customer Centricity

Customer centricity underpins all B2B and B2C relationships, especially in the electrical component distribution sector. If a distributor misses a scheduled delivery or an order falls short, production gets affected, causing great pain to the customer.

Your site should help your customers manage their supply chain effectively. Consumers will likely need parts and components from many different suppliers, intermediaries, and third-party service providers. Features like real-time access to inventory availability, pricing, and delivery information can help them manage their supply chain without hassle.

Provisions to schedule supply is another aspect of customer-centricity. Your customers will want to receive your deliveries when they need them; receiving them too early will mean paying to store them, and paying to have them brought back to the shop floor. 'Just-In-Time' manufacturing requires accurate scheduling of components.

# III. How Can Magento Help?

Magento Commerce offers all the features and functionality you'll need to build and manage your electrical components distribution store. The platform allows your customers to manage their company accounts (e.g., set up multiple tiers of buyers with specific roles and permissions). They can also track quotes, view detailed order histories, and manage their credit online, rather than calling you with their questions and requests.

Magento also has staying power. More than 250,000 eCommerce sites use Magento, and it adds new businesses to its rolls every quarter (in Q1 2020, Magento Commerce experienced 40% growth).

With so many businesses dependent on Magento (about 1.2% of the Internet), you can be sure the platform will be supported for a long time to come.

B2B-Centric features of Magento include:



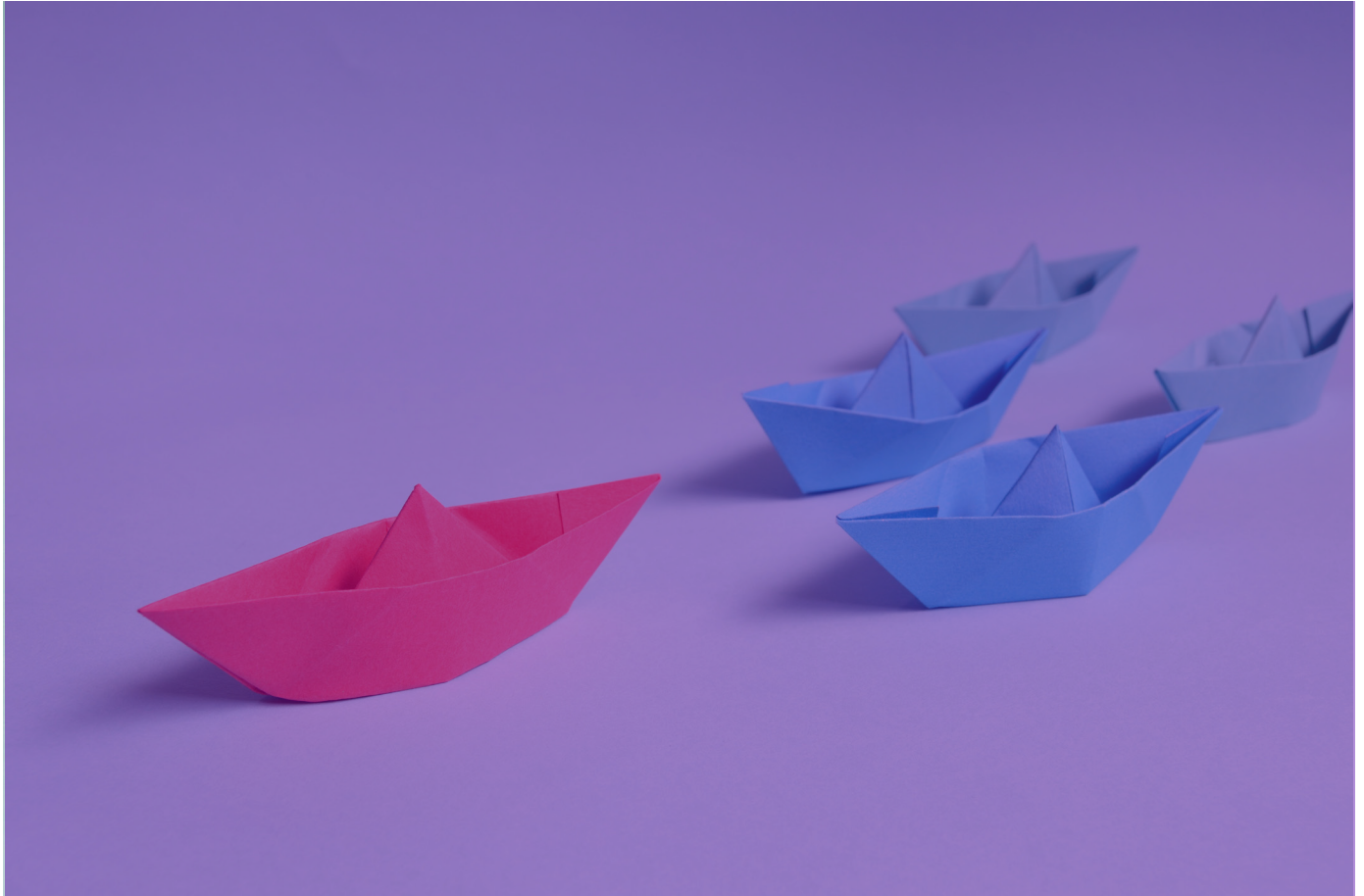
|                                 |                                                                                                                                                                                                                                          |
|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Differentiated Pricing</b>   | Because your customers will begin using your site after you've signed a contract with them and have negotiated prices, they expect to see every order they place to reflect their volume discounts or price breaks agreed to beforehand. |
| <b>Flexible Payment Options</b> | In all likelihood, your customers rely on purchase orders to track expenses to the right accounts and to analyze their operating costs. Magento Commerce supports multiple payment options, including purchase orders.                   |

|                                     |                                                                                                                                                                                                                                                     |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Custom Catalogs</b>              | It's highly unlikely that your customers will want access to your entire components catalog. Magento Commerce allows you to create custom catalogs your customers can easily sort through and quickly find the items they need.                     |
| <b>Robust Search</b>                | Magento Commerce supports intelligent and intuitive search capabilities, including filtering down by item, category, brand, or SKU level.                                                                                                           |
| <b>Role-Based Permissions</b>       | All companies place spending limits on their employees, requiring additional authority and approval for high ticket items. Magento Commerce enables you to support your customers' internal procedures with role-based permission functionality.    |
| <b>Request for a Quote</b>          | With Magento Commerce, all authorized buyers can initiate a request for a quote.                                                                                                                                                                    |
| <b>Flexible Ordering</b>            | Magento Commerce supports a range of features to enable bulk ordering. Your customers are free to upload a BOM via a spreadsheet with quantities and SKUs, while others may prefer to order via a product grid or a list, or from a previous order. |
| <b>Shared Quotes/Shopping Lists</b> | Your customers are likely to have multiple buyers who want to share quote requests and shopping lists from one another to save time, a feature supported by Magento Commerce.                                                                       |

|                                                             |                                                                                                                                                                                                                                                                                                                                |
|-------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Streamlines Order Management and Inventory Workflows</b> | <p>Your customers demand accurate and real-time inventory information. If you fail to make your delivery date, their businesses are at risk.</p>                                                                                                                                                                               |
| <b>Marketing Support to Build Your Business</b>             | <p>Magento Commerce comes with a host of marketing tools, such as customer segmentation &amp; personalization, product recommendations, and the ability to launch, manage and optimize email, digital, social media, and SMS campaigns. Magento also integrates with standard mar-tech platforms like Marketo and Hubspot.</p> |
| <b>Open Source Platform</b>                                 | <p>With built-in PHP, Magento Commerce can easily integrate with your existing inventory and order management systems.</p> <p>As an open-source platform, Magento has a large community of developers that offer thousands of extensions that add functionality and automate integrations.</p>                                 |



## IV. Case Study - How a leading electrical distributor in the US built a multichannel digital ecosystem with Magento



### **Company: US Electrical Services Inc**

Headquartered in Connecticut, U.S. Electrical Services is one of the top three wholesale electrical components distributors in the U.S. The company's customers include tens of thousands of electricians, contractors, corporate clients, architects, engineers, and lighting designers.

### **Challenge:**

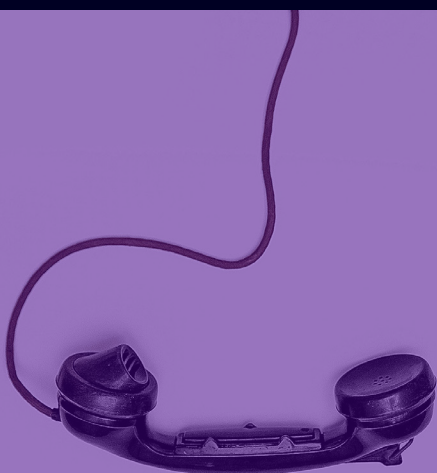
With 11 unique brands servicing different segments of the market, US Electrical Services wanted an eCommerce site that catered to each segment, providing each with the features and functionalities to make it easy for each to do business with them. While some segments were B2C, while others were B2B, the eCommerce team was keen to have just one platform to manage. The new platform needed to integrate with multiple systems within the company.

## Our Solutions powered by Magento

To help US Electric Services achieve its goal, Ziffity assembled a team consisting of Business Analyst, UX Specialist, Certified Developers, DevOps, Security, and Automation Test Engineer. Together they:

- Migration - Enabled the brand to migrate to Magento from a legacy based order entry system with a vision to achieve longevity with a reliable platform.
- Complex eCommerce Logic - Ziffity's team built highly optimized modules to enable customer segmentation and multiple shipping parameters, as well as real-time tax calculations.
- Third-Party Integrations - Integrated 10+ third-party systems like search, PIM, ERP and data warehouse to complement the business architecture.
- Multi-Site Implementation. Ziffity integrated 11 unique brands, spanning across B2B & B2C customer groups – all the eCommerce frontend now function from a single Magento instance.
- Email Automation - Ziffity integrated an email automation system with Magento to create a built-in provision for sending transactional and marketing messages to customers.

## Give Us A Call



As a U.S based Magento eCommerce agency that has garnered expertise working with global retail brands and growing startups, Ziffity can provide solutions for companies of all sizes. From fresh builds and complex customizations to improving underperforming websites and fixing security vulnerabilities, our dedicated teams can provide tailor-made solutions for every B2B challenge. Reach us out at [contactus@ziffity.com](mailto:contactus@ziffity.com)