



THE ULTIMATE GUIDE ON B2B E-COMMERCE TRENDS IN APAC

DHL Express – Excellence. Simply delivered.



A DHL Express White Paper

CONTENTS

E-Commerce Is Revolutionizing B2B Businesses in APAC	03
What Is B2B E-Commerce?	04
How the Pandemic Changed B2B Sales	05
The Evolving B2B Customer Demands	09
B2B E-Commerce Trends in APAC	12
The Future of E-Commerce in APAC	16
B2B E-Commerce Case Studies in APAC	20



E-COMMERCE IS REVOLUTIONIZING B2B BUSINESSES IN APAC



The post-pandemic era has shown us how established business practices are no longer meeting the needs of today's customers. Once thought to be a hip alternative to traditional brick-and-mortar stores, e-commerce is now an essential part of modern trade relations in APAC, influencing B2B customer purchase patterns positively and helping to deepen the relationship between B2B business and their buyers.

According to Statista¹, e-commerce is no longer a system for the business elite; an estimated 2.35 billion individuals in APAC used e-commerce shopping methods in 2021, and this number is projected to rise to 3.1 billion by 2025. The Southeast Asian internet economy² alone was valued at approximately US\$194 billion in 2022, and is forecasted to reach US\$330 billion by 2025. With the full integration of digital channels and commerce in their business approach, 72% of APAC B2B companies in a report by Accenture³ have stated that their omnichannel clients are “worth substantially more” than single channel customers.

The pandemic forced companies in APAC and beyond to accelerate their digital integration in order to survive the tumultuous economic landscape of the past few years. Even as restrictions ease globally, e-commerce trading channels for B2B companies continue to expand; in a world first, B2B businesses are more likely to offer online trading platforms than in-person trading platforms⁴. This revelation captures a key element of the current cultural climate surrounding the economy: B2B e-commerce is not only here to stay but here to expand and revolutionize how we trade goods and services today.



***“The last few years clearly showed that e-commerce grew significantly and in fact was key to global trade. Businesses very quickly shifted gears to adopt B2B e-commerce to keep supply chains alive, and they grew accustomed to its benefits.*”**

***Increasingly, businesses will expect the same B2B e-commerce experience as they would get in a B2C journey. Our ongoing investments in digitalization, sustainability and infrastructure mean that we are ready to help businesses achieve the e-commerce experience they expect and tap into new opportunities.*”**

Ken Lee

¹ Statista. (n.d.) Number of e-commerce users in Asia from 2017 to 2025. Retrieved from: <https://www.statista.com/forecasts/1259097/e-commerce-users-asia>

² Statista. (n.d.) Internet economy size in Southeast Asia from 2015 to 2022, with a forecast for 2025. Retrieved from: <https://www.statista.com/statistics/958419/southeast-asia-internet-economy-market-size/>

³ Accenture Consulting. (n.d.) Insights to Digital Commerce. Retrieved from: https://www.accenture.com/_acnmedia/pdf-67/accenture-insight-digital-commerce.pdf

⁴ Ibid.

WHAT IS B2B E-COMMERCE?



B2B e-commerce can be broken down into two main components: e-commerce and B2B. E-commerce describes the process of buying and/or selling products through online platforms, while B2B refers to a transactional relationship between two businesses. As such, B2B e-commerce describes the phenomenon where a business purchases a product or service from another business, where the payment and shipping agreement is facilitated online via a transactional website in just a few clicks. There is no need for the purchasing party to register as a customer before checking out, login to a gated portal, or engage a sales representative to progress forward.

Companies that move towards online channels for their B2B transactions will benefit from round-the-clock omnichannel branded presence.



A SNAPSHOT OF THE BENEFITS OF E-COMMERCE

Since e-commerce businesses allow customers to make purchases through online channels, this new marketplace landscape has potential benefits for both buyers and sellers alike. Customers can **learn more about available services in an instant**, and businesses **enjoy greater exposure to a potential customer base through 24-hour advertisements outside of traditional nine-to-five brick-and-mortar working hours**.

The online format also means businesses have the option to **reduce infrastructure and overhead costs**, allowing them to **direct essential resources towards expansion and optimizing relationships** with a global client base.



Did you think B2B sales remained the same due to the pandemic? Well, it could be time to rethink. Supply chain disruptions, digitalization and an increase in large-ticket e-commerce sales have all made their mark on the B2B growth equation.

The COVID-19 pandemic irrevocably changed how businesses operate transactions between each other. How businesses have adjusted to a stream of modern-day challenges and innovations determines how they operate in the global marketplace. Businesses that embrace digitalization, develop supply chain resilience and optimize their online experience for big-ticket sales become more sustainable in the long term.

Research by McKinsey found that 80% of B2B businesses are pulling out the stops for e-commerce, making their online channels as good as or better than their offline ones. One of the reasons for doing so is because more than a third of business buyers are willing to spend half a million or more in a single transaction on digital channels.⁵

Trends in APAC are also telling and interesting, with shifts in purchase behaviour. For one, **B2B buyers in the region have increasingly embraced the digital revolution**, and more have turned to online channels as an alternative to meeting sales representatives. Studies have also shown that 94% of B2B buyers conduct online research before making a purchase decision. 49% and 84% of B2B buyers also relied on ads and social media to do the same. From these numbers, it is clear to see the importance B2B businesses have to place on adapting to the changing buyer habits.⁶

Consider these three ways on how COVID-19 has changed B2B sales forever as your guide to implementing a business continuity plan that will drive value for your customers and increase your profitability through regionalization and operational efficiency.

⁵ Bangia, M., Harrison, L., & Plotkin, C.L. (2022). Busting the Five Biggest B2B E-Commerce Myths. Retrieved from <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/busting-the-five-biggest-b2b-e-commerce-myths>

⁶ YCP Solidiance. 2022. B2B Digital Sales Trends in Southeast Asia. Retrieved from: <https://ycpsolidiance.com/article/business-to-business-southeast-asia>

1. SUPPLY CHAIN DISRUPTION AND GLOBAL LOGISTICS SOLUTIONS

As a result of the pandemic, many businesses did not have access to brick-and-mortar stores, forcing them to rely on e-commerce channels to conduct transactions. While this was a boon for web-based businesses, the increased demand for goods alongside heightened restrictions for the flow of goods between states meant that many businesses within the B2B sector became keenly aware of weaknesses in their supply chain and logistics management systems.

To stay afloat during these rapid changes, organizations were forced to establish new, more resilient systems. B2B International, a Merkel company, recommends that businesses focus on supply network mapping: “Knowing which suppliers, sites, parts, and products are at risk during a crisis allows organizations to put themselves first in line to secure constrained inventory and capacity at alternate sites.”⁷

SUPPLY CHAIN MANAGERS IN THE ASIA PACIFIC WERE ASKED ABOUT THE SIGNIFICANT STRATEGIC CHANGES TO THE CONFIGURATION AND OPERATION OF THEIR SUPPLY CHAINS:

■ Conducting a complete overhaul or implementing change to supply chain strategies

32.6%

■ Diversifying supply chain for greater sustainability & resilience

29.7%

■ Investing in digital tools & processes

41%

Source: The Economist Intelligence Unit (Citi)

Alongside effective supply network mapping, businesses should explore how to make their sourcing more agile. Traditional wisdom suggests that organizations should maintain a geographically limited production base to limit costs, but the pandemic has demonstrated how a diverse supply network provides a higher degree of security in the event of an economic crisis. With the looming China-US trade tensions and the ongoing war in Ukraine, diversifying the supply chain could insure organizations against losses related to logistics and supply chain disruptions.

TOP TIP FOR YOUR B2B E-COMMERCE BUSINESS

A behavioural shift amongst B2B supply chain managers is evident in these figures indicating diversification in supply chain and investments in digital tools. This means that B2B supply chain managers will be more open to sourcing from multiple international locations and various digital touchpoints, giving way for more B2B e-commerce opportunities.

⁷ Tuinstra, M. (2020). The Impact of COVID-19 on Supply Chains. Retrieved from <https://www.b2binternational.com/2020/04/27/the-impact-of-covid-19-on-supply-chains/>

2. THE RISE OF DIGITALIZATION

The rise of e-commerce in B2B interactions has inevitably resulted in businesses digitising at a rapid pace. Operating through the internet means there will always be new technologies to connect with. The IoT (Internet of Things) sector has boomed over the past year, with more devices than ever connected to the cloud. For sellers, IoT has huge potential to revolutionize warehousing,⁸ logistics and how transactions are conducted.

“Two-thirds of corporate customers intentionally reach for digital or remote in-person engagement when given a choice.”

McKinsey⁹

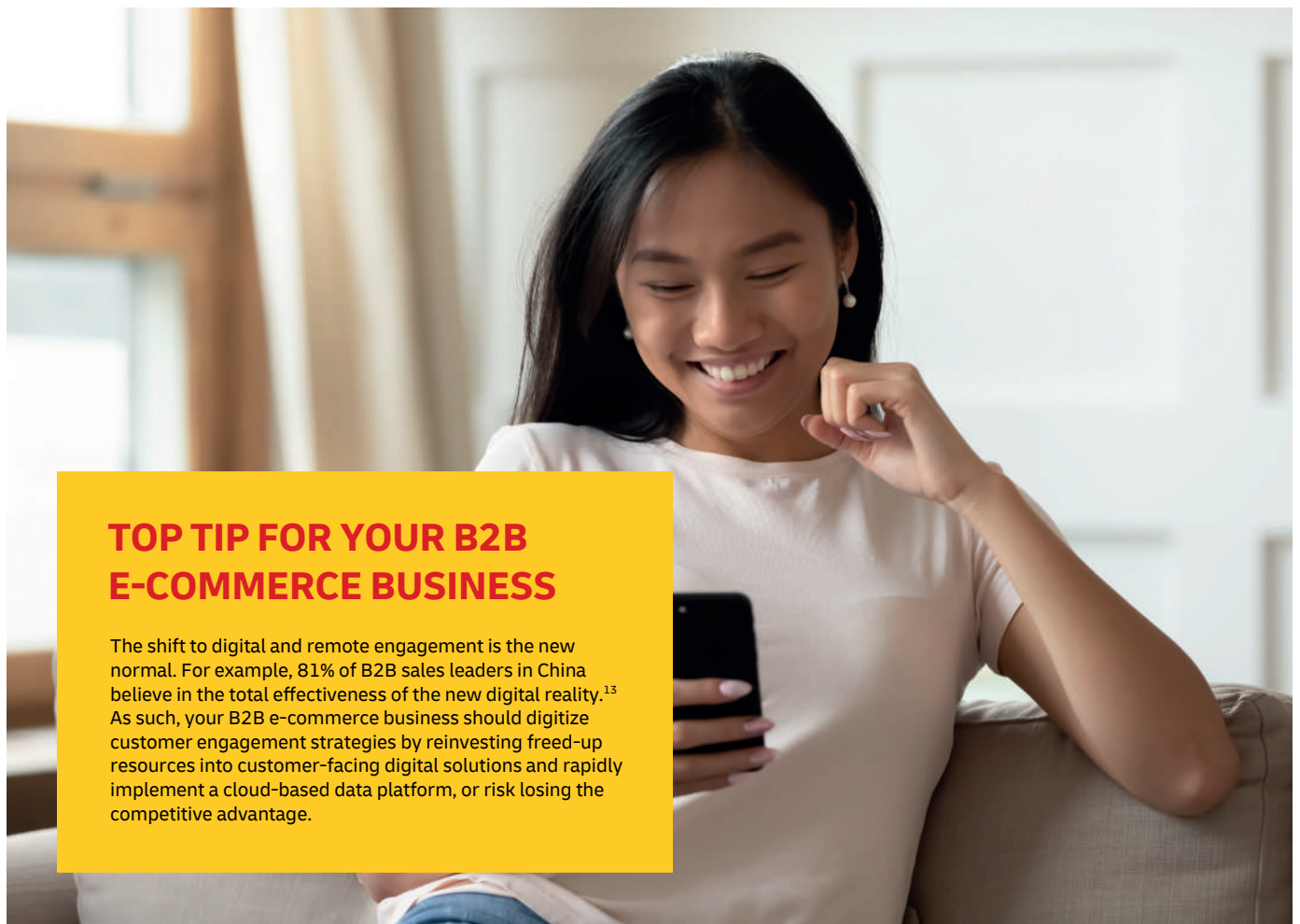
But digitalization isn't limited to robotics; digital technologies have transformed the way customers and merchants interact. One sentiment that has steadily intensified during and post lockdown is the increased preference for remote human engagement over face-to-face interactions due to its speed and convenience. This demonstrates how entrenched modern interaction mediums are in the B2B world:

e-commerce has surpassed in-person interactions as the most effective channel among B2B buyers.

Alongside these developments, the currencies of B2B transactions are also evolving. The past few years have seen blockchain technologies emerge as a serious and viable solution for organizations.

Blockchain cuts out intermediaries such as banks and payment platforms to optimize profits. Within B2B relations, blockchain technology allows businesses to develop smart contracts, create a lifetime digital identity for goods, ensure transparent transactions, enhance payment speed and security, and more.¹⁰

Moreover, with approximately **72% of B2B businesses stating data management as one of the top challenges**¹¹, sophisticated IT solutions such as applications of cloud are seen as one of the main ways to unlock the full potential of an organization's structural data advantages. Among others, this allows data to be shared across multi-cloud environments easily, especially crucial for global e-commerce brands with multiple operations worldwide. In addition, business scaling is significantly easier, and security is tightened, offering customers peace of mind. As a matter of fact, **80% of companies saw improvements in operations** within a few months of cloud adoption.¹²



TOP TIP FOR YOUR B2B E-COMMERCE BUSINESS

The shift to digital and remote engagement is the new normal. For example, 81% of B2B sales leaders in China believe in the total effectiveness of the new digital reality.¹³ As such, your B2B e-commerce business should digitize customer engagement strategies by reinvesting freed-up resources into customer-facing digital solutions and rapidly implement a cloud-based data platform, or risk losing the competitive advantage.

⁸ PaySpace Magazine (2019). DHL Implemented Smart Warehouse Technology in Asia Pacific. Retrieved from <https://payspacemagazine.com/tech/dhl-implemented-smart-warehouse-technology-in-asia-pacific/>

⁹ Bangia, M., et al. (2022). Busting the Five Biggest B2B E-Commerce Myths. Retrieved from <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/busting-the-five-biggest-b2b-e-commerce-myths>

¹⁰ CustomLogoCases (n.d.). How Blockchain Technology Can Change B2B for the Better. Retrieved from <https://www.customlogocases.com/blog/b2b-blockchain/>

¹¹ McKinsey & Company. 2021. The data gambit: How large B2B companies can outmaneuver start-ups. Retrieved from: <https://www.mckinsey.com/capabilities/growth-marketing-and-sales/our-insights/the-data-gambit-how-large-companies-can-outmaneuver-startups>

¹² LXA. 2022. Cloud Computing: Stats and Trends. Retrieved from: <https://www.lxahub.com/stories/cloud-computing-stats-and-trends>

¹³ Bages-Amat, A., et al. (2020). These Eight Charts Will Show How COVID-19 Has Changed B2B Sales Forever. Retrieved from <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/these-eight-charts-show-how-covid-19-has-changed-b2b-sales-forever>

3. RISE IN LARGE-TICKET E-COMMERCE SALES



Previously, businesses hesitated to invest in digital platforms because their client base was uncomfortable making large ticket sales online. Digital purchasing has also been associated primarily with business-to-consumer relations rather than B2B relations. This has unequivocally changed with the advent of encrypted payment and overall convenience, though the pandemic accelerated the trajectory towards large-ticket online purchases.

Businesses no longer have the same concerns about online payment, with 35% reporting that they are willing to spend US\$500,000 or more in a single transaction on digital channels. Alongside this, 15% of corporate decision-makers are comfortable making purchases worth more than US\$1 million online.¹⁴ E-commerce is demonstrably a viable option for businesses looking to perform and receive big-ticket purchases.

As with many other developments in B2B e-commerce, this was accelerated by the pandemic, which made large online transactions a necessity. Thanks to encrypted payment systems and the ubiquity of online transactions within B2B interactions, business buyers feel confident using e-commerce platforms to make large purchases.

TOP TIP FOR YOUR B2B E-COMMERCE BUSINESS

Given the increased comfort of spending big online, you have to continue investing in remote and online sales channels — this is only possible through the increased investment of your e-commerce budget.

In addition to increasing your e-commerce budget, do not forget to streamline quoting and approvals of these large-value purchases since high-value transactions are more complex than low-ticket purchases.



¹⁴ Bangia, M., et al. (2022). Busting the Five Biggest B2B E-Commerce Myths. Retrieved from <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/busting-the-five-biggest-b2b-e-commerce-myths>



4. THE EVOLVING B2B CUSTOMER DEMANDS

INFLUENCING POWER OF MILLENNIALS

The workforce is increasingly dominated by millennials who are determining both the trajectory and method of the businesses they operate within. A primary consequence of this is an emphasis on personalization in B2B engagements. This approach is informed largely by tailored experience of modern B2C transactions. Where the millennial generation has become accustomed to high customer engagement in their B2C relationships, they employ this same approach in B2B contracts. This refocus places more weight on the business buyer experience; the ideal transaction is personal, amiable and inspires brand loyalty.

As more workplaces become digitized, the human element of transactions becomes an invaluable part of the overall brand experience. B2B e-commerce transactions have since moved from focusing on providing a cost advantage for B2B buyers to providing a personalized experience tailored to fit their strategic needs.

INCREASED RELEVANCE OF SUSTAINABILITY CONCERNS

TOP TIP FOR YOUR B2B E-COMMERCE BUSINESS

Environmental, social, and governance (ESG) considerations have become increasingly important in the business world. For B2B e-commerce businesses, paying attention to ESG factors can have significant benefits.

Integrating ESG considerations into their operations can enable B2B e-commerce businesses to demonstrate their commitment to sustainability and social responsibility, which can build trust with customers and investors.

Consumers are increasingly prioritising products that are in line with their values. Consequently, a market for eco-conscious, fair trade, vegan, and humanitarian products has emerged. Companies like Cadbury¹⁵ have funded advertising campaigns that emphasize the brand's sustainability and personability over their product. The impact is obvious for B2C relations: businesses that demonstrate sustainability will see increased purchases from socially-conscious consumers. However, this is more complicated in B2B relations. Client organizations will have diverse reasons for pursuing sustainability – social consciousness, market appeal, profits.

THE ESG CAN BE BROKEN DOWN INTO THESE THREE COMPONENTS:



ENVIRONMENTAL

This assesses a company's energy use, waste, pollution, natural resource conservation, and treatment of animals. A company that scores highly in this area will put out carbon or sustainability reports, limit harmful pollutants and chemicals, seek to lower greenhouse gas emissions, and use renewable energy sources, though this list is not exhaustive.



SOCIAL

This interrogates the health and potential of business relationships. It asks whether a company donates to local enterprises, encourages its employees to volunteer for important causes, and shows high regard for employees' health and safety. It also examines whether a business chooses suppliers aligned with their values and accounts for stakeholders' interests. Companies that score highly in this area might choose to support LGBTQ+ individuals in the workforce, pay fair wages, operate an ethical supply chain, or support new mothers in the workforce, amongst other socially-directed policies.



GOVERNANCE

The governance criteria analyzes whether a company uses accurate and transparent accounting methods and allows stockholders to vote on important issues. It reports conflicts of interest in the leadership and allegations of illegal practices. Highly-scoring companies can embrace various measures such as increasing board diversity, promoting transparency within the organization, and employing a CEO independent of the board chair.

The ESG criteria allow businesses to identify merchant organizations best positioned for risk-adjusted, long-term outperformance relative to their peers.¹⁶ Sustainable investment isn't simply an ethical choice; it's now a viable business strategy for B2B e-commerce businesses who want to continue to adapt and appeal to changing buyer demands and interests. As B2B buyer companies prioritize sustainability to facilitate repeat purchases and grow their own customer base, B2B suppliers will need to adopt, invest in and communicate their ESG agenda so as to retain their desirability over others in the market.

¹⁵ Mitchell, S. (2018). Cadbury's New Campaign Shines a Light On Every Day Acts of Kindness. Retrieved from <https://ethicalmarketingnews.com/cadburys-new-campaign-shines-light-every-day-acts-kindness>

¹⁶ Trillium Asset Management (2021). Trillium ESG Criteria. Retrieved from <https://www.trilliuminvest.com/documents/positive-negative-screens>

CARBON NEUTRALITY GOALS



Related to increased concern around sustainability is a growing demand for eco-conscious and efficient last-mile delivery. Logistics corporations like DHL Express have integrated green logistics solutions into their operations to address the first concern.

In practice, this means more e-vehicles on the ground limiting the emissions caused by traditional vehicles. It also means that **86% of DHL's electricity comes from renewable sources**.¹⁷ These are just a few of the carbon emission reduction projects that DHL Express has elected to pursue.



LAST-MILE EFFICIENCY

A superior last-mile experience is one that puts customers at the heart of every solution, centred upon speed and flexibility. DHL Express has implemented advanced technological solutions to optimize its delivery routes. In many markets, couriers spend an inordinate amount of time planning their routes manually, which significantly reduces the speed of the delivery process.

However, through the use of real-time mapping technology,¹⁸ DHL has streamlined this process. DHL's couriers can now plan their routes intelligently based on current road conditions. Furthermore, this technology is able to adjust to road issues, such as weather or traffic, by quickly identifying alternative routes based on information from various sources. This approach has reduced the time required to plan delivery routes, which has resulted in faster last-mile deliveries. On-Demand Delivery (ODD) further extends the scope of efficiency, enabling end customers to choose how they wish to receive their parcels based on their schedules. From opting for signature release to choosing to pick it up at the nearest service point, such flexibility reduces the number of unfulfilled deliveries and, resultantly, optimizes the fleet's air and road time.

¹⁷ Green Logistics: DHL | DHL. (n.d.). Retrieved from <https://www.dhl.com/global-en/home/logistics-solutions/green-logistics.html>

¹⁸ Deutsche Post DHL Group. 2018. Shortening The Last Mile: Winning Logistics Strategies In The Race To The Urban Consumer. Retrieved from: <https://www.dhl.com/content/dam/dhl/local/global/core/documents/pdf/g0-core-wp-shortening-the-last-mile-en.pdf>

B2B E-COMMERCE TRENDS IN APAC



AUSTRALIA

Due to its geography and economic ties, Australia has unique access to APAC B2B markets. The way businesses interact with these markets is increasingly informed by their B2C experiences. This is inevitable, with 75% of shoppers globally¹⁹ making an online purchase at least once a month and are subject to advertising beyond that number. The e-commerce market can be incredibly competitive; with the click of a button, customers can compare products and select the most cost-efficient option.

To account for this consumer behaviour, more budget is allocated to marketing efforts that emphasize the personality of the brand.²⁰ Business customers in Australia are concerned with fast delivery, product availability, price and tracking components. To take advantage of opportunities in e-commerce, suppliers should ensure each of these areas is sufficiently accounted for.

INDONESIA

Within Indonesia, business-to-business-to-consumer business models are expected to dominate e-commerce.²¹ This model sees large regional suppliers hook up with small- to medium-sized local businesses to reach people in the outlying communities. This is essential for small businesses that may struggle to navigate the complicated logistical relationships within Indonesia's archipelago.

Because of the unique geographic feature, Indonesia reports some of the most expensive shipping costs globally. B2B2C models allow SMEs to access a larger market and engage with digital trends – an important factor for an economy where many merchants are not tech-savvy. Businesses can benefit from this arrangement by gaining access to local economies and expanding their client base.



¹⁹ Chevalier, S. (2021). Online shopping frequency worldwide 2018. Statista. Retrieved from <https://www.statista.com/statistics/664770/online-shopping-frequency-worldwide/>

²⁰ Cameron, N. (2021). 7 lessons in embracing modern B2B marketing. CMO Australia. Retrieved from <https://www.cmo.com.au/article/688264/7-lessons-embracing-modern-b2b-marketing/>

²¹ DBS BusinessClass. (2021). 6 trends to watch. The future of e-commerce in Southeast Asia. Retrieved from <https://www.dbs.com.sg/corporate/research-and-insights/business-insights/the-future-of-e-commerce-in-southeast-asia>



JAPAN

E-commerce growth in Japan will occur in tandem with high internet penetration, despite having the most aged population in the world.²² For e-commerce services like MonotaRO where orders for indirect materials were initially placed by phone or fax, the shift to online ordering was gradual.



“Since indirect materials are time-consuming to find, we thought that the search function of the internet would be suitable for the indirect materials business. Today, 98% of our orders are placed online.”

Seiji Nishiguchi, General Manager, Global Business Department at MonotaRO

Popular marketplaces like Yahoo! Shopping and Amazon Japan bring in attractive e-commerce revenue,²³ facilitated by delivery made effective by the country’s smaller geography and top-notch logistics infrastructure.²⁴ When targeting the Japanese market, however, it is key that businesses look into the mechanics of online shopping.

Since about 99% of the local population speaks their native language, there are opportunities to create e-commerce platforms conveniently accessible to citizens, but global businesses will need to adapt to reach these Japanese-speaking online shoppers.²⁵ Japanese e-commerce sites also reveal nuanced differences from global counterparts like the US with image and text-heavy landing and product pages favoured over white spaces.²⁶ Where checkouts are concerned, card payments emerge as the most popular method of payment,²⁷ with digital wallets possibly gaining traction in the years to come. B2B e-commerce businesses seeking to tap into the Japanese market can work this shopping behaviour to their advantage when targeting suppliers and manufacturers within the market to increase their conversion rates online.

²² J.P. Morgan 2019 Payments Trends – Global Insights Report: Data has been provided to J.P. Morgan Merchant Services by Edgar, Dunn and Company via World Bank, 2017.

²³ J.P. Morgan 2019 Payments Trends – Global Insights Report: Data has been provided to J.P. Morgan Merchant Services by Edgar, Dunn and Company via CIA World Factbook.

²⁴ AppAnnie.com, 2019. ‘The State of Mobile 2019.’ Accessed February 2019.

²⁵ J.P. Morgan. (n.d.). E-commerce Payments Trends: Japan. J.P. Morgan Insights. Retrieved from <https://www.jpmorgan.com/merchant-services/insights/reports/japan>

²⁶ Export.gov, October 2018. ‘Japan – eCommerce.’ Accessed February 2019.

²⁷ TheHinduBusinessLine.com, January 2018. ‘E-commerce players stop cash-on-delivery payment option temporarily.’ Accessed February 2019.



SINGAPORE

A country quick to adapt to emerging digital trends, it should come as no surprise that Singaporeans are predicted to abandon physical payment cards in favour of digital wallet payment options. Digital wallets are the next step towards simplifying B2B and B2C transactions.

To stay ahead of the curve in the digital world, businesses like RS look at various areas of their business beyond the checkout environment.²⁸ As a world-leading high-service distributor in industrial products, the company further enhances its online customer journey with features such as improved filtering, predictive search and more efficient basket management.²⁹

“Our work to continuously improve the customer experience has helped to drive e-commerce sales to a three-and-a-half-year high and search conversion to a four-and-a-half-year high.”

Guy Magrath, Global Head of eCommerce at RS

THAILAND

Steadily, Thailand is adapting to the digital evolutions of the modern economy. The country has been hesitant to abandon cash-based transactions. However, in 2017, the Thai government developed an e-payment master plan³⁰ which supported ambitious national rollouts of digital payments. PromptPay was innovated by Vocalink in conjunction with Thai banks³¹ to help achieve this goal, providing users access to a universally accessible and bank-agnostic payment method.

The resulting system features a real-time payments infrastructure and proxy lookup service that maps unique recipient identifiers to their bank account details. This allows Thai individuals and businesses to participate in e-commerce transactions more efficiently. The results of these initiatives can be seen in the burgeoning size of the B2B e-commerce segment in the country, which had a valuation of THB0.84 trillion in 2020³² and accounted for 27% of all e-commerce transactions by 2022.³³



²⁸ How electronics giant RS components thrives in the Digital World. The Manufacturer. (2019). Retrieved from <https://www.themanufacturer.com/articles/electronics-giant-rs-components-thrives-digital-world/>

²⁹ RS further enhances website to improve the online customer journey. RS Singapore. (2015). Retrieved from https://sg.rs-online.com/web/generalDisplay.html?id=footer1%2Frelease%2F150818_rs_further_enhances_website_apac

³⁰ Thailand's national E-payment master plan has opened door to less-cash economy, says GlobalData. GlobalData. (2019). Retrieved from <https://www.globaldata.com/thailands-national-e-payment-master-plan-has-opened-door-to-less-cash-economy-says-globaldata/>

³¹ Transforming Thailand to a digital economy. Bank payment solutions. (n.d.). Retrieved from <https://b2b.mastercard.com/stories/thailand-promptpay/>

³² Tormerwasana, K. (2021). Value of e-commerce forecast to hit B4tn. Retrieved from <https://www.bangkokpost.com/business/2197979/value-of-e-commerce-forecast-to-hit-b4tn>

³³ International Trade Administration. (2022). Retrieved from: <https://www.trade.gov/country-commercial-guides/thailand-e-commerce>

CHINA

In China, social commerce platforms have become a popular option for consumers. Social commerce platforms are effectively digital marketplaces where customers can look for products, compare them and purchase them while sharing their experiences with other users. XiaoHongShu and WeChat are the leaders in this field, but alternative platforms are emerging³⁴ as demand increases.



This field is rapidly growing. In 2021, social commerce grew by an estimated **24.6%** and is projected to have a **retail sales value of more than US\$507 billion by 2024**.³⁵ These predictions should not be a surprise considering China's large digitally connected market and increased reliance on e-commerce channels.

For B2B relations, highly specific social commerce platforms like Pinduoduo³⁶ – China's largest agriculture platform connecting farmers and distributors with consumers—compete with larger conglomerates like Alibaba. These industry-specific platforms help account for the niche or specialized gaps in an industry giant's more generic operations. Pinduoduo isn't the only platform to emerge to help supplant these gaps; Meicai also operates in agriculture, and Zhaogang connects merchants in the steel industry. Organizations with a market in China should consider operating through these platforms to connect directly with their target market on a local level.

INDIA

India, one of the world's fastest-growing economies, has been recognized as one of the largest and fastest-growing B2B markets globally.³⁷ The country's B2B e-commerce market is anticipated to reach a gross merchandise volume (GMV) of US\$125 billion by 2027, a significant leap from the US\$20 billion recorded in 2022.³⁸ With over 100 B2B companies each commanding a market capitalization of over US\$1 billion, the Indian B2B market sector is currently valued at about US\$900 billion.³⁹

The government's Digital India initiative⁴⁰ has played a key role in fostering this growth, driving digital literacy and usage while promoting the transition from traditional offline B2B transactions to digital platforms. Furthermore, the Unified Payments Interface (UPI) system has significantly improved the accessibility of digital transactions.⁴¹

In terms of the nation's B2B e-commerce landscape, India is characterized by a diverse set of players catering to distinct niches. IndiaMART, the country's largest online B2B marketplace, spans a wide range of sectors and industries, acting as a conduit between suppliers and buyers across the nation. Udaan, a network-centric B2B platform, serves as a unifying thread for traders, wholesalers, retailers, and manufacturers across numerous categories, bridging gaps in the market. On the other hand, Jumbotail has carved out a niche in the online wholesale marketplace for food and grocery stores, demonstrating the potential for sector-specific platforms.

One key element to note in the Indian context is the importance of local languages.⁴² Given the country's linguistic diversity, the localization of content on platforms helps in broadening the audience base and enhancing the user experience for non-English speakers.

The B2B e-commerce sector in India is anticipated to witness significant growth in the coming years, spurred by the continuous digitization of businesses and government initiatives to bolster digital infrastructure and literacy. In this rapidly evolving landscape, the ability to understand and adapt to local market dynamics will be critical for success.



³⁴ Andrea.g. (2020). MAJOR SOCIAL COMMERCE PLATFORMS IN CHINA. Retrieved from <https://www.digitantglobal.com/major-social-commerce-platforms-in-china/>

³⁵ Ma, Y. (2021). Social commerce in China - statistics & facts. Retrieved from <https://www.statista.com/topics/6718/social-commerce-in-china/>

³⁶ Lee, E. (2018). The incredible rise of Pinduoduo, China's newest force in e-commerce. Retrieved from <https://techcrunch.com/2018/07/26/the-incredible-rise-of-pinduoduo/>

³⁷ Kirtika, S. (2023) India seen fastest growing among 7 largest emerging & developing economies: World Bank. Retrieved from <https://economictimes.indiatimes.com/news/economy/indicators/india-seen-fastest-growing-among-7-largest-emerging-developing-economies-world-bank/articleshow/96890524.cms>

³⁸ Payal, G. (2023) Indian B2B Ecommerce to Register \$125B in GMV by 2027: AVENDUS. Retrieved from <https://yourstory.com/2023/04/indian-b2b-e-commerce-register-gmv-retail-supply-chain-manufacturing>

³⁹ Payal, G. (2023) Indian B2B Ecommerce to Register \$125B in GMV by 2027: AVENDUS. Retrieved from <https://yourstory.com/2023/04/indian-b2b-e-commerce-register-gmv-retail-supply-chain-manufacturing>

⁴⁰ Digital India. Retrieved from <https://csc.gov.in/digitalindia>

⁴¹ Naina, B. (2023) India's UPI Interface to Become Accessible to More Users. Retrieved from <https://www.india-briefing.com/news/global-acceptance-of-india-unified-payments-interface-upi-tracker-26183.html/>

⁴² More than 19,500 mother tongues spoken in India: Census. Retrieved from <https://indianexpress.com/article/india/more-than-19500-mother-tongues-spoken-in-india-census-5241056/>

THE FUTURE OF E-COMMERCE IN APAC

The pandemic has caused dramatic shifts in buyer behaviour which will continue to drive the trends towards mobile-first business strategies, hyper-personalization, and encouraging businesses to adopt omnichannel selling methods.



OMNICHANNEL AND DIGITALIZATION IN APAC



Within the APAC region, these trends will encourage B2B sales to cement digital transaction methods as normative. Countries like New Zealand and Thailand, who have hesitated to go fully digital, are expected to make huge leaps toward digital integrations; New Zealand anticipates that 80% of their population will complete their purchases on the internet by 2026.⁴³ This elides the growing popularity of omnichannel strategies that provide clients with various platforms to purchase through.

This popularity is unsurprising as a McKinsey report found that **B2B buyers are now more willing to complete high-value purchases through remote or online sales channels, and also regularly use 10 or more channels to interact with suppliers. 35% of respondents were willing to spend US\$500,000 or more in a single omnichannel transaction, and 77% of respondents were willing to spend US\$50,000 or more.**⁴⁴ B2B businesses operating within emerging and established e-commerce landscapes can take advantage of this lucrative sales avenue by expanding their omnichannel offerings and improving customer service offerings in tandem.

THE METAVERSE AND AI PERSONALIZATION

As for innovations businesses should expect to see in the B2B landscape, the newly-minted metaverse may be the next platform for business buyers to conduct purchases. The metaverse offers digital facsimiles of day-to-day operations; messaging, meetings, shopping, gigs. More than this, it employs advanced analytics and intelligence gathering strategies to provide a hyper-personalized approach. At first glance, this approach may appear to favour B2C brands which often already rely on hyper-personalization to appeal to individuals within a generic customer base. However, B2B businesses can use this data-focused approach to deepen their relationships with their own buyers as well.⁴⁵

Both sides of the B2B equation already understand the importance of having customizable and specialized information throughout the buying process, especially with a growing focus on optimizing business efficiency and total cost of ownership regardless of industry. In particular, the metaverse can deepen the avenues for such crucial information exchange through its hyper-personalized and hyper-fast feedback loops. Providing customers with specific data on product efficiency can improve the payoff of buyer engagements, resulting in higher conversion rates.

Powered by the latest in machine learning software, B2B exchanges vis-a-vis the metaverse could be looking at instantaneous and highly accurate information displays or exchanges that make it easier to share, collaborate, and extrapolate pertinent new understandings from existing data sets. Rather than having to go through a protracted and lengthy process of in-person meetings, buyers will be able to instantaneously receive all the information they require through virtual events, trade shows, and experiences held within the metaverse. As an example, B2B companies with a Product-as-a-Service (PaaS) model can even gain a better sense of how buyers interact with their product offerings through complex modelling or machine learning software – all without needing to meet up in person. This, in turn, will enable B2B companies to tailor their offerings on the fly to meet customers' unique needs and demands while maintaining low overheads, minimizing unnecessary or redundant spending, and still managing to satisfy buyers' desires for a personalized business-buyer relationship.

We can reasonably predict that B2B relations may find a space in the metaverse where businesses can use artificial intelligence to better employ a hyper-personalized approach⁴⁶ to sales and marketing.



⁴³ Asendiausa.com (2022). 10 e-commerce trends you need to know in 2022. Retrieved from <https://www.asendiausa.com/asendia-insights/10-e-commerce-trends-you-need-to-know-in-2022>

⁴⁴ Harrison, L., Lun Plotkin, C., Reis, S., & Stanley, J. (2021). B2B sales: Omnichannel everywhere, every time. Retrieved from <https://www.mckinsey.com/capabilities/growth-marketing-and-sales/our-insights/b2b-sales-omnichannel-everywhere-every-time>

⁴⁵ Brierley, M. (2022). Why B2B needs to invest in the metaverse. Retrieved from <https://www.b2bmarketing.net/en-gb/resources/blog/why-b2b-needs-invest-metaverse>

⁴⁶ Natanson, E. (2022). Super-Apps, Hyper-Personalization And Traversing The Metaverse: 2022 Mobile Predictions. Retrieved from <https://www.forbes.com/sites/eladnatanson/2022/01/25/super-apps-hyper-personalization-an-traversing-the-metaverse-2022-mobile-predictions/>



SELF-SERVE DIGITAL SOLUTIONS

Alongside AI and omnichannel innovations, APAC businesses should expect to see an increase in self-serve options for customers. COVID-19 ushered consumers towards a more ‘hands-off’ approach where contact with service people and handling of goods was limited. Self-serve is an opportunity for businesses to reduce the cost of sales without compromising customer service and experience in B2B relations. By digitizing catalogues, price lists and dealer networks and providing clients with access to this information, businesses will minimize their manual administrative workload⁴⁷ and create a smoother customer experience. Already, a CRM Magazine survey⁴⁸ demonstrated the growing importance of digital self-serve solutions, with nearly half of the respondents reporting that their business used self-service channels in their CRM and expected it to increase.



LEANING INTO SUSTAINABILITY

We’ve seen that customers are more concerned with ethical purchasing than ever before. With the rising climate crisis, customers in B2B and B2C scenes will continue to vote with their dollars for sustainable solutions. But eco-conscious initiatives aren’t just a smart, ethical choice; they’re good for business too. Studies have shown that more customers are identifying sustainability as a key factor before making a purchase and are willing to pay more for eco-conscious and sustainable products as well.⁴⁹ This suggests that B2B e-commerce companies can gain new avenues for revenue and collaboration by adopting policies that appeal to an increasingly eco-conscious customer base.

⁴⁷ Dynamicweb Software (2017). The new potential in B2B Ecommerce part 3 - Empower your B2B customers with self-service. Retrieved from <https://dynamicwebapac.com/resources/blog/the-new-potential-in-b2b-e-commerce-part-3-empower-your-b2b-customers-with-self-service>

⁴⁸ Destination CRM (2013). New Survey Highlights the Growth of Web Self-Service. Retrieved from <https://www.destinationcrm.com/Articles/CRM-News/Daily-News/New-Survey-Highlights-the-Growth-of-Web-Self-Service-90678.aspx>

⁴⁹ CGS (2019). CGS Survey Reveals ‘Sustainability’ Is Driving Demand and Customer Loyalty. Retrieved from <https://www.cgsinc.com/en/infographics/CGS-Survey-Reveals-Sustainability-Is-Driving-Demand-and-Customer-Loyalty>



Alongside diversifying their customer base and revenue sources, businesses focusing on sustainability, businesses focusing on sustainability can cut costs behind the scenes regarding waste materials and sustainable packaging. By minimizing waste in line with ecologically sustainable practices, businesses also minimize the revenue loss⁵⁰ that comes with product waste.

SUSTAINABLE SOLUTIONS ARE A STAPLE OF MODERN BUSINESS, WHETHER THAT IS:



As B2B buyers increasingly prioritize eco-consciousness as part of their own business strategy, these practices are how forward-thinking B2B e-commerce businesses can pivot their own business models towards sustainability, attract new leads, and retain a growing consumer base.

⁵⁰ Srinivas, H. (2020). Sustainable Business: Sustainability is Good Business!. Retrieved from <https://www.gdrc.org/sustbiz/sust-goodbiz.html>

B2B E-COMMERCE CASE STUDIES IN APAC

Moving forward, B2B business can expect to see a greater focus on customer experience and customer service as integral parts of the B2B sales funnel. Underlying many of the major trends outlined above is a shift in direction towards self-serve and customized experiences for the customer, and businesses should expect this trend to grow along with the B2B market in APAC.

When Chip One Stop, a Japan-based e-commerce site selling semiconductors and PEMCO (Passive & Electro-mechanical Components), first launched in Japan in 2001, B2B e-commerce was not yet available. Even by 2008, some customers were still using faxes, phone calls, or catalogue mail-order services such as MISUMI and ASKUL to place their orders rather than ordering through Chip One Stop's website.

Rather than fully committing to an online-only order service, Chip One Stop maintained flexibility in their ordering options and made accommodations when customers were not willing to go fully digital – allowing them to retain their customer base even when local consumption began to decline after 2010. The company maintained this business model throughout the COVID-19 pandemic. Today, Chip One Stop is a leading semiconductor and electronic component online distributor in Japan. Through its focus on B2B e-commerce and traditional offline sales channels, it is able to provide a "one-stop" solution for small quantity orders to mass production procurement.



Chip One Stop

Another B2B e-commerce company that has responded quickly to changing customer demands is MonotaRO. Customers conveyed that they turned to MonotaRO as a supplier when they were unable to find certain products locally. MonotaRO first listed 3 million SKUs of its best-selling products on its cross-border e-commerce site. Subsequently, due to increased customer demand, MonotaRO has expanded its product lineup to 15 million SKUs.

MonotaRO has also digitalized their business development strategy. The company initially relied on phone, catalogue, flyers, or fax, but now handles 98% of orders online. While the company recognizes that a significant percentage of customers still purchase at local stores, they anticipate a gradual and more competitive shift towards B2B online marketplaces over time. The company is planning to offer all customers the same one-stop shopping experience as MonotaRO's Japan customers via their e-commerce platform, reducing purchasing time and enabling a more convenient customer experience.



MonotaRO

PARTNERING WITH A LOGISTICS COMPANY LIKE DHL EXPRESS

As an international leader in logistics, supply chain, shipping, and door-to-door delivery, DHL is poised to help B2B businesses engineer new opportunities in the growing and changing APAC market.

Chip One Stop uses DHL Express services to handle shipments between Japan and the rest of the world, including Europe and Hong Kong. Partnering with DHL ensures that the company is able to access a worldwide market, offering express delivery times, customs clearance, door-to-door shipping and a range of flexible delivery options for their customers.

MonotaRO also differentiates itself from its competitors by offering fast delivery times in 18 countries around the world. This is one of the main reasons why SMEs in Southeast Asia are turning to MonotaRO to fulfil their orders, despite the existence of local-market-based businesses such as Lazada and Shopee.

While out-of-stock local products would typically need to be imported by a local agent leading to a one-to-three-month delivery time, MonotaRO's partnership with DHL Express cuts that process down to one to two weeks. DHL's expertise in customs clearance has also helped MonotaRO to handle customs procedures, VAT payments, invoicing, etc. smoothly.

Through their partnership with DHL Express, MonotaRO has been able to build trust and foster long-term purchasing relationships with customers through offering reliable and prompt delivery within a short period of time. This has also enabled it to respond to changing customer needs in a fast and efficient manner by offering a wide assortment of products that cannot be procured locally.



GET STARTED ON YOUR B2B E-COMMERCE JOURNEY TODAY

As we have demonstrated in this white paper, the influence of e-commerce on B2B transactions have surpassed novel conventions of business. The pandemic brought to light the fissures in existing systems, underscoring the advantages of e-commerce when mapped against the broader workings of digitalization and supply chain.



Trends in APAC have revealed touchpoints underpinned by a key driver of e-commerce success: the customer. B2B businesses that want to access international markets in APAC and beyond should invest in unique cross-border solutions in order to stay ahead of competition. With sustainability and innovation at the heart of their approach, they can continue to uncover yet-untapped payoffs and revenue streams.

We know how to turn your cross-border e-commerce ambitions into reality. Our knowledge and global presence not only open channels between you and the world but also establish your business as a reliable name in the market. We help you optimize efficiencies and gain consumer trust through impactful delivery strategies such as intelligent order management, fulfilment, and tracking. Our streamlined portal makes shipment preparation and management a breeze, allowing you to focus on what's more important: your customer.

Engage our Trusted Advisors today and explore the limitless possibilities B2B e-commerce presents.



THE ULTIMATE GUIDE ON B2B E-COMMERCE TRENDS IN APAC

A DHL EXPRESS WHITE PAPER