The B2B retail revolution: Rethinking how brands create & shop for products

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TO COMPETE IN THIS NEW RETAIL ECONOMY, RETAILERS NEED TO IMPROVE THEIR BACKEND TECHNOLOGY AND PROCESSES TO BRING MORE INNOVATIVE PRODUCTS TO MARKET, FAST ENOUGH AND AT THE BEST PRICE.
Traditional retail is dead and consumers just don’t like shopping. Is the media right? On any given morning, a glance at your newsfeed will likely include some variation on these themes. The media has long opined on the impending death of the traditional retail model. And it’s not completely unfounded: Consumers are spending, but on their own terms.

We’ve come a long way from the era of casual, leisurely shopping. The promise between brand and customer has changed, for customer expectations are high. Customers demand that the products they want be available when they want and through the channel of their choice. Additionally, consumers are relying more heavily on their communities to power their purchase decisions. In fact, 67 percent of consumers say they are influenced by reviews, meaning that even one negative individual voice could prevent a purchase.

Traditional retailers may feel they have little chance against newer players like Amazon, but they don’t have to accept the media’s claim of their death as inevitable. With the right investments and smart innovation, companies can thrive and have a robust future in the New Retail Economy.

CHANGING THE WAY RETAILERS SHOP

The digital revolution has put the consumer in a position of power like never before. Consumers today are no longer beholden to the information that retailers provide; instead, they have the ability to conduct their own research and come to a purchasing decision better informed than in decades past. The empowered consumer can choose what to buy on the basis of price, quality, customer reviews, ethical sourcing and environmentalism and endless other criteria that brands must consider.

It’s a stark contrast between the way consumers shop and the way retail product teams shop for materials and good with their suppliers. Brands are investing millions in tech to create a better digital customer experience, while the product backend shopping process is lightyears behind. Consumers get highly visual, interactive ways to find items, while employees at brands who are looking for products must take multiple overseas trips, dig through warehouses and try to organize everything in spreadsheets.

Consider the typical product purchase process today: You visit a friend’s home and fall in love with a new purple lamp she’s bought. You’d also like a similar lamp, so you begin by Googling “purple lamp” on your mobile phone. You pin a few photos of ones you like best to your Home Décor Pinterest board. The next day at work, you forget whether your friend’s lamp had a pull chain or a switch, so you send her a quick Facebook message to confirm. While on lunch break, you peruse your pinned choices on your desktop, select your favorite, then switch over to Amazon.com to find the best price. And as luck would have it, your favorite one also happens to be one of the lowest priced options. A few clicks later, your fancy new purple lamp is on its way to your doorstep, in just two days.

Compare that to how brands create that same lamp. The idea for purple as an in-season color may come from a tradeshow, a runway or even a tinted leaf – any number of sources could prompt inspiration. A designer makes a mental note of the color idea, and if she remembers the color or where she made note of it, she sends it along via email to her team. Meanwhile, a sourcing director is in a Chinese warehouse, checking out dozens of different options for housewares, taking handwritten notes and snapping photos of various options. She wasn’t on the email thread with the designer’s note on purple as the “in” color, so she instead just picks her favorite—blue. Later that night, she spends hours in a hotel room sorting through photos (with filenames like “87375.jpg”) and matching them to her notes, eventually sending a late night email with several attached spreadsheets comparing costs and styles to her colleagues, asking for their opinions.
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MIMICKING THE CONSUMER EXPERIENCE

Retailers need to keep up with this New Retail Economy by turning their backend retail shopping process into a more visual, collaborative experience in order to bring more innovative products to market faster. Consumers don’t shop in a linear way, so we can’t rely on creating products for them in that way. To compete in this New Retail Economy, retailers can improve their backend technology and processes by doing the following:

1 **Shop like a consumer.** Shop across supplier communities virtually. You should be able to buy at work like you buy in your free time with a platform that can easily translate to the end customer experience. You wouldn’t want your consumers shopping via Excel, right? Look for virtual marketplace tools that keep the process highly visual and automate as many of the details as possible. Get a holistic view of the different parties you work with, what’s available and what the related costs are in real-time, so you can quickly weigh your options and make smarter decisions. By shopping virtually across the supplier community, you can reduce sampling time and costs because you have narrowed down your selections early.

2 **Rely on the power of the community.** Social proof isn’t just for consumers. Retailers have vast communities of individuals they could potentially work with to help drive innovative products to market more efficiently. Using collaborative tools to engage directly with designers, suppliers, franchisees and more helps you stay on top of the latest trends and create more opportunities for inspiration. And use the community to compare and contrast offerings across multiple suppliers and vendors.

3 **Use mobile tools.** Forget sticky notes and spreadsheets. Consumers love shopping on their phones and why shouldn’t retail buyers do the same? Seek out apps and other mobile tools to help you document and share the ideas you find with your peers instantly while on the go.

4 **Discover your options in real-time.** Don’t wait for responses to emails or for someone to dig through a stack of papers to find a price option for you. There’s no need to get stuck in the weeds every single time something needs to change. Optimize your buying and negotiation processes by looking for a tool that not only enables a collaborative environment but also automates the process of comparing prices and finding alternate suppliers.

**CONCLUSION**

Consumers have control, with more choice, higher expectations and more power than ever before when it comes to retail purchases. The B2B, product development backend needs this same control and access to choice. Brands that do not take advantage of the new technologies that allow this will be in danger of falling behind – lagging in their ability to bring innovative products to market, fast enough and at the best price. Brands and suppliers have a huge opportunity in this New Retail Economy – they just need to invest in the right areas.

Consumers expect new and interesting products, and they want them to be available 24/7 in different channels. To succeed, you need to match the speed of the consumer, and that starts by aligning your backend processes to your frontend customer experience. Shop like your customers do by creating a more visual and efficient buying experience throughout the entire retail ecosystem, and help you thrive in today’s market.

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1 Hinckley, Dan, New study: Data reveals 67% of consumers are influenced by online reviews.,” Moz, Sept. 2, 2015. https://moz.com/blog/new-data-reveals-67-of-consumers-are-influenced-by-online-reviews

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