

MOBILE COMMERCE:

The Next Big Thing in Food & Beverage Distribution

A guide to transforming your customer experience with B2B mobile commerce technology.



CONTENTS

Introduction	2
About Mobile Commerce: A Growing Trend	4
Native Mobile vs. Mobile Web: An Important Distinction	6
How to Transform Your Customer Experience with Mobile Commerce	8
What to Look for In a Mobile Commerce Platform	15
The Bottom Line	16

INTRODUCTION

Today, with just a few clicks of a button, you can instantly purchase anything—even groceries and fresh produce—from just about any retailer around the world. Online ordering has become second nature, and it is expected by consumers everywhere.

As more manufacturers and wholesale distributors make eCommerce a priority, convenient online shopping experiences are also being offered in the B2B realm. Indeed, B2B eCommerce is becoming ubiquitous across every industry, including food and beverage distribution. Some businesses, however, are taking things a step further. A rapidly growing segment of eCommerce that reflects the “anytime, anywhere” habits of today’s buyers, investments in mobile commerce, or “mCommerce,” are allowing B2B buyers to order online from their smartphones and tablets.

Mobile commerce solutions are the next frontier for grocery, convenience store, and foodservice distributors who’ve prioritized B2B eCommerce. As buyers grow accustomed to making B2B purchases online and increasingly make a habit of shopping on their mobile devices in their consumer lives, having a strong mobile commerce platform—one that not only allows customers to place orders whenever they like, but also allows brands to build a direct line of communication to their buyers—is going to be a key differentiator.

In this guide, you’ll find out why mobile commerce is experiencing such rapid growth. You’ll also see how manufacturers and distributors in the food & beverage industry are using this technology to transform their customer experiences with:

- Anytime, anywhere on-demand ordering
- Increased access to product information
- A constant line of communication between suppliers and customers
- Faster order processing
- Greater ease of doing business

Mobile has irrevocably changed the way we search, browse, watch, read, travel, communicate, and buy. It has also proven true time and time again, that what catches on in B2C soon takes off in B2B as well. Mobile commerce is here to stay, and manufacturers and distributors are preparing for change.

THE EVOLUTION OF B2B ECOMMERCE

The on-demand economy--dominated more recently by a strong reliance on mobile devices--has permanently altered B2C buyer expectations. Consumers seek this same level of access and convenience in their professional lives, and B2B eCommerce is experiencing massive growth as a result. In fact, numerous industry sources are reporting that B2B eCommerce sales will top \$1 trillion by 2020.

For food and beverage distributors looking to grow their businesses, online ordering on the web is essential to staying competitive. Ultimately, these organizations must continue to look into the near future to meet the rapidly evolving needs of their buyers. Today, it is clear from consumer trends where the B2B world is going -- and that's mobile.



ABOUT MOBILE COMMERCE: A GROWING TREND

Mobile commerce posted astounding growth rates in 2015. A recent [Forrester Research](#) survey indicates that smartphone sales accounted for 17% of total retail sales in 2015, and that sales from smartphone devices grew 53% year-over-year.

This trend is likely to continue in 2016 and beyond. In fact, [Paypal research](#) indicates that global mobile commerce growth should outpace eCommerce growth by three to one, while US mobile commerce should grow from \$54.6 million in 2014 to \$96.3 million by the end of 2016.

Compared to the roughly 10% increase eCommerce is expected to see each year, mobile commerce in the US has a projected growth rate of approximately 30%. The numbers are equally stark on the B2B-specific side of things. According to mobile usability pioneer [Usablenet](#), 78% of B2B companies believe mobile is the future of online commerce.

So what's behind this staggering mobile commerce growth? [According to ComScore](#), it is due simply to the rapid increase in the number of smartphone owners--of whom there are nearly 200 million today in the U.S.--and a growing comfort level and familiarity when it comes to making mobile purchases.



US mobile commerce is expected to grow from \$54.6 million in 2014 to \$96.3 million by the end of 2016.



78% of B2B companies believe mobile is the future of online commerce.



There are nearly 200 million smartphone owners in the United States.

The turn toward mobile isn't just happening among the millennial segment, either. A recent [Forrester study](#), for example, concluded that although millennials (26- to 34-year-olds) do lead other generations in terms of tablet adoption, 35- to 44-year-olds show the highest levels of actual tablet use during the process of researching a purchase.

Other mobile commerce research bears this out. [A recent survey by KRC Research](#) found that 70% of millennials purchased a product via a mobile app in 2015 (up 85% from 2014). Among Generation X, that number was only slightly lower, at 66%. Even baby boomers had significant mobile commerce purchases, with 39% having purchased a product via a mobile app in 2015.

What do these statistics mean for food & beverage distributors? They indicate that in the very near future, foodservice, grocery, and convenience store distributors seeking to maximize profits will need to have a solid mobile commerce growth strategy in place.

While the food and beverage industry is not new to ordering technologies, having adopted handheld ordering devices and scanners as early as the 1990s, the rapid advancement of consumer mobile technology has rendered those old “brick on a stick” devices outdated and inefficient. Legacy mobile ordering tools tend to be highly analog, with no visual representation of products and no dynamic pricing or running order totals.

New B2B mobile commerce apps, on the other hand, are combining the scanning capabilities of old legacy devices with features and functionality that should be familiar to anyone who's shopped online. With high-resolution digital product catalogs, search capabilities, access to order history, and a virtual cart, these applications have integrated features that make the B2B ordering experience easier, more visual, and more convenient.

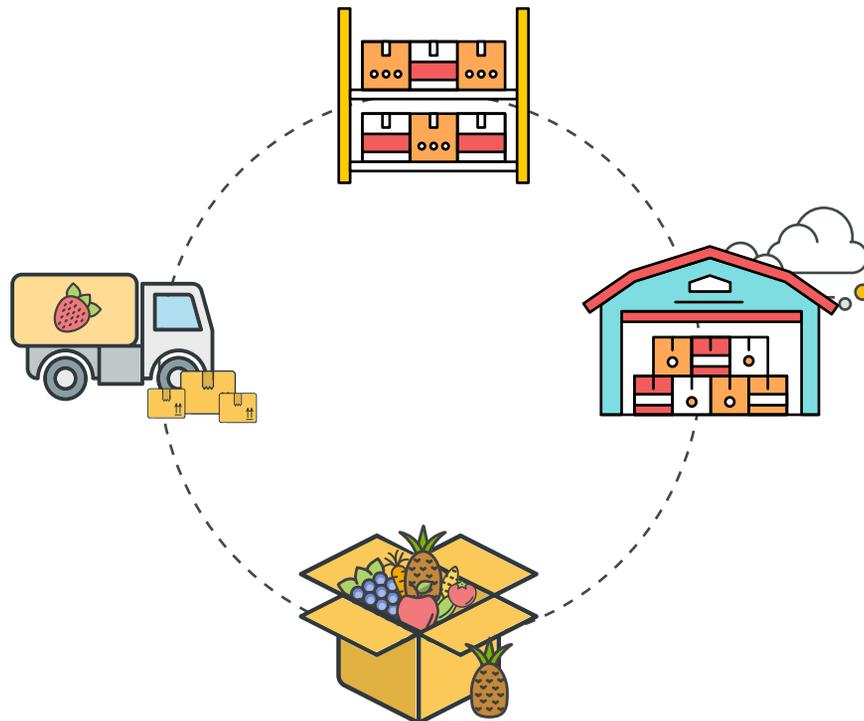
B2B buyers are already using smartphones and tablets for the research portion of their buying journey, and manufacturers and distributors who invest in native mobile ordering applications have an enormous opportunity to transform their customer experiences, build customer loyalty, and win business from competitors.

NATIVE MOBILE VS. MOBILE WEB: AN IMPORTANT DISTINCTION

Whether or not customers adopt your mobile commerce platform is significantly impacted by the user experience you're able to provide. Mobile commerce solutions must be designed specifically for use on smaller screens while delivering both function and performance. This is where the distinction between native mobile applications and mobile web experiences comes into play.

A "mobile web" experience generally starts with an existing website designed for a desktop computer, and then shrinking it down to fit on a mobile device screen. Anyone who's had to fill out tiny form fields or navigate a resized version of a desktop website can probably relate to the downsides of this approach.

In the mobile-optimized web buying experience, the buyer will also need to have Internet access, leaving the user experience subject to any interruptions in connectivity. Server load times can also drastically affect navigation speed and completion times when adding items to the cart or checking out. According to a study done by Kissmetrics, [40% of people abandon a website that takes more than 3 seconds to load.](#)



A native mobile app, on the other hand, is designed with the mobile experience in mind, and it leads to a different approach on how to deal with content, removing visual clutter and displaying content in the most intuitive way possible for mobile users—even offline.

The preference for native mobile applications is widespread. According to [mobile usability pioneer Usablenet](#), by 2014, 78% of B2B companies already believed mobile was the future of online commerce, with half of B2B vendors surveyed already able to support mobile commerce. According to eConsultancy, as [high as 85% of consumers](#) favor apps over mobile websites—a number you should be paying attention to, given the fact that your customers are also consumers constantly using mobile devices in their personal lives.

To provide an exceptional mobile commerce experience for your customers, investing in a native mobile application in lieu of a mobile web experience is critical.



40% of people abandon a website that takes more than 3 seconds to load.



According to one survey, **50%** of suppliers are already able to support mobile commerce.



85% of consumers favor apps over mobile websites.

HOW TO TRANSFORM YOUR CUSTOMER EXPERIENCE WITH MOBILE COMMERCE

1. Anytime, Anywhere On-demand Ordering

Expectations have never been higher in today's on-demand economy. Buyers at restaurants, grocery stores, and convenience stores want simple shopping experiences online and on their mobile devices—whatever's most convenient at any point in time. Furthermore, distributors are dealing with razor-thin margins and heavy competition, whether it's for shelf space against direct competitors or even retailers building their own distribution centers and rolling out private label brands.

In a space where distributors are often selling similar—or even the same—products as competitors, streamlining the ordering and fulfillment process is a key way to differentiate from competitors.

While B2B eCommerce in general is allowing customers to place orders around the clock, the addition of a mobile application to the eCommerce equation is also allowing them to place orders anywhere using not legacy or proprietary hardware, but a familiar smartphone or tablet.

On their mobile devices, buyers are able to browse a digital catalog. They can use the device's built-in camera to scan barcodes to locate or add items, and with just a few taps and swipes, they can build an order and send it to the supplier for processing. Buyers can even build these orders offline, syncing them with the supplier's back office systems once reconnected to the Internet.

This has several implications for your customer:

- **Ability to buy at the moment of purchase intent:** With the ability to access product and account info and pull out their phones to place an order—even when offline—your customers will now be able to place orders at the moment of purchase intent, rather than waiting to make a phone call or sending an email.
- **Ability to adapt the ordering process to existing habits or preferences:** Mobile commerce allows for greater accommodation of an individual customer's ordering habits. If, for instance, the buyer prefers to reorder products as they're taking inventory, a mobile commerce app can allow them to write an order as they're standing in the stockroom or walking through their store aisles.

2. Greater Access to Product Information

Mobile commerce applications are giving retailers, restaurants, and other B2B buyers constant access to product information from devices that they carry in their pockets at all times. Rather than having to consult a paper product catalog or call the distributor directly to get product questions answered, buyers can access product details anytime, whether they're planning a restaurant menu, taking inventory, or out on the go.

This can benefit your customers in several ways:

- **Fast access to personalized order and catalog details:** With individual login access, each customer can find the exact information they need, including customer-specific catalogs, pricing, and promotions. They'll also be able to review order status, see past orders, and access their account details.
- **Discovering new products:** With the ability to browse your digital catalog at their leisure, your customers may discover new products or lines that they don't already carry--or perhaps didn't even know about.
- **Getting quicker answers to product questions:** While in the past, a customer may have had to call your back office to ask about a product or price, a mobile commerce application can be a source of trusted and (in contrast to static paper product catalogs) up-to-date information, whether it's customer-specific pricing, available product sizes, planograms, or even brand-related collateral and merchandising guidelines.

3. A Direct Line of Communication to the Brand

A mobile ordering application can also serve as a direct line of communication between the manufacturer or distributor and the customer, and top brands across industries are taking advantage of these capabilities. For Peavey Electronics, one of the largest manufacturers and suppliers of musical instruments, amplifiers, and professional audio systems in the world, this line of communication was the number one reason to adopt mobile commerce.

According to Fred Poole, Peavey's General Manager of Product Development and North American Sales, mobile commerce is "more than an ordering tool for our sales reps and dealers. My vision is for [mobile commerce] to provide real-time access to promotions, new product information, shipping notifications, and other updates. It's about having direct communication...between the brand and over 2000 dealers."

Indeed, in a world where much of the time, the only interaction between a manufacturer and a customer occurs through a sales rep, mobile commerce is giving suppliers an additional layer of control over how they interact with customers.

Here are the different ways that manufacturers and distributors are taking advantage of this:

- **Sending push notifications:** Some companies are utilizing push notification functions on mobile devices to send their customers important notifications, whether they are order confirmations, shipping notifications or product updates.
- **Sending promotional messages:** By not only sending promotional messaging, but also offering a mobile application as a destination point for customers to immediately act on those offers and deals, manufacturers and distributors are seeing promotions immediately convert into orders.
- **Sending reorder reminders & recommended orders:** If a customer hasn't placed a reorder in a while, a manufacturer can use their mobile commerce platform to send reminders, as well as product recommendations based on a retailer's current assortment and existing sales data.



4. Faster Order Processing

Thanks to offers of free and expedited shipping from services like Google Express and Amazon Prime, consumer demand for speed has grown exponentially over the last decade, and retailers and other B2B buyers are transferring those expectations to their suppliers.

Indeed, food and beverage distributors are increasingly prioritizing the speed of their fulfillment processes—including faster submission of orders from the field to the back office—to speed up cash flow, increase inventory turn, and provide a stand-out customer experience.

Mobile Commerce is helping companies achieve this in two main ways:

- **Instant order sync:** By placing orders online using their mobile devices, orders can be immediately synced to back office systems for processing. Customers no longer have to wait for their suppliers to manually enter orders. Another benefit of instant order sync and the elimination of data entry is increased order accuracy. Customers can review their digital orders to see exactly what they purchased, and there is no error in transfer.
- **Reduced backorders:** If customers are given real-time inventory information via a mobile application, they can make strategic decisions as they place the order. If, for instance, a certain item is out of stock, they can find an alternative item (or at least adjust their expectations on how long that item will take to arrive).



5. Ease of Doing Business

Perhaps the most overarching and transformative aspect of mobile commerce is how much easier you're making it for customers to do business with you. The ordering process is simple, flexible, and highly independent. These applications are built for familiar mobile devices that your customers are already using every day, and they can easily duplicate past orders to place quick reorders.

Ultimately, this ease of doing business will help you win business from your competitors. By making the ordering process quick and seamless, customers may even order more products from more categories and lines.

Take Pet Food Experts, for example. Pet Food Experts is an independently owned and operated pet food and supplies distributor delivering 130 brands to independent retailers across twenty-nine states.

Before Pet Food experts had a mobile eCommerce application, the company was losing customers to competitors. After adopting Handshake Direct Mobile, however, Pet Food Experts has actually won business from competitors. The immense impact of an easy ordering app can be summed up in one of their many success stories.

According to Data Analytics Manager Mark Pesce, "We had a particular customer who was ordering more from a competitor even though our pricing was significantly better. It was because that competitor had given them a device to place orders more easily. Since we switched to Handshake, though, our ordering experience is so much better that they've given us 100% of their business."



WHAT TO LOOK FOR IN A MOBILE COMMERCE PLATFORM

In addition to the benefits outlined above, there are a few general things to look for in a mobile commerce platform. From a customer's perspective, the ideal mobile commerce experience should be "mobile-first." In other words, it's not just about creating a pretty mobile commerce site. It's also about optimizing the experience for the mobile user. This means less clutter, simplified navigation and content, and much more. You need to make it easy for mobile users to find the information they need and take the action you want.

Mobile device users are making purchases and decisions on-the-go, and their activities are usually triggered by some need. It's important to understand the factors that drive how, where and why they will use your mobile app, and to let this guide what kind of mobile commerce solution you choose.

But what about from your perspective? For food and beverage distributors in the process of vetting and implementing solutions, **a mobile commerce application should be:**

- **Part of a wider platform-based approach:** When considering a mobile commerce vendor, it's important to consider all of your existing sales channels. Do you have orders coming in from field sales reps? Do you also want to offer a desktop eCommerce experience? Find a vendor who will be able to combine all of these elements--mobile order writing for sales reps, desktop eCommerce, and mobile commerce--in one platform that shares the same centralized order management hub.
- **Simple to implement and administer:** Your mobile commerce solution needs to be easy and cost-effective to implement and maintain over time. Fortunately, there are Software-as-a-Service solutions that have significantly lowered the barriers to entry on a complex project like a mobile commerce implementation, and they are maintained and updated by the vendor, making it simple for even businesses with limited IT resources to use.
- **Integrated with back office systems:** How are orders going to get from the buyer's mobile device to you for processing? Integrating your mobile eCommerce platform with back office enterprise resource planning or accounting systems will allow you to receive orders instantaneously for processing.

THE BOTTOM LINE

If mobile commerce seems to be way off in the future for your business, or something only the biggest players in your industry need to be thinking about, think again. The world of food and beverage distribution is changing rapidly, and everyone is jumping on the bandwagon.

With mobile commerce, food and beverage distributors will:

- Be able to receive orders 24/7
- Increase order frequency by making order writing faster and easier
- Instantly convert buyer research and promotions into orders
- Beautifully showcase their product catalogs and tailor them for each customer
- Allow retailers, restaurants, and other B2B buyers to discover new items
- Present up-to-date order status, history, and customer-specific pricing
- Keep retailers informed of product availability with inventory information
- Eliminate service calls for basic account, product, and order questions

All of these changes ultimately equate to making it faster and easier for customers to interact with your company and make purchases, translating to increases in both customer loyalty and revenue.

ABOUT HANDSHAKE

Handshake provides the B2B Commerce platform for manufacturers and distributors that powers standout ordering experiences both in-person and online. Companies using Handshake transform their sales effectiveness and drive operational efficiency, delighting customers and growing lasting relationships.

Email: info@handshake.com

US Toll Free: +1 (855) 532-9044

International: +1 (646) 434-2553

