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DIGITAL B2B
COMMERCE 360

STANDING OUT IN THE B2B CROWD

B2B companies approach 2024 with growth strategies rooted in flexible, scalable ecommerce technology — with a boost from AI.

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 **BlueYonder**

OVERVIEW

INNOVATING TO DISRUPT COMMERCE

To connect with customers, win at B2B ecommerce, and even disrupt their markets, manufacturers and distributors drill down to the specific challenges buyers face in purchasing what they need.

That strategy is taking hold in industries ranging from industrial metals and parts for heavy equipment to home décor and construction supplies, workwear safety apparel, veterinarian medications, and food products.

A common thread across those strategies: providing the online product content that B2B buyers require to do their jobs and a method to quickly process purchases and deliveries through branded ecommerce sites and online marketplaces.

BUILDING A METALS INDUSTRY DIGITAL MARKET

Online Metals, for example, has emerged as a major distributor of over 60,000 products among raw materials including steel, brass, copper, nickel, titanium and zinc in various shapes and sizes, including custom cut-to-size. It recently expanded its online capabilities and presence by deploying a new B2B ecommerce platform integrated with its own metals-and-plastics catalog marketplace, where raw materials manufacturers can sell their products.

The new marketplace “allows us to quickly onboard new sellers who want to reach the millions of metal buyers Online Metals reaches,” says Gregory Raece, president.

Online Metals runs its ecommerce platform on SAP Commerce Cloud with an SAP-licensed version of the Mirakl marketplace technology platform.

Online Metals says its new digital infrastructure has enabled its ecommerce team to “sell products that have been traditionally non-transparent with pricing and also difficult to order in small quantities.”

As a result, Online Metals adds that it “can now support a growing number of micro-manufacturers throughout the U.S.,” such as TCI Precision Metals, that rely on a “just-in-time, small-quantity metal supplier.”

HEAVY EQUIPMENT AND SAFETY APPAREL

Serving the maritime industry with such vessel-borne equipment as heavy-duty cranes and drilling machines, Netherlands-based manufacturer Huisman Equipment B.V. is using a progressive web application on the Intershop Commerce platform to let personnel aboard ships order equipment parts and services. The ecommerce platform also provides for such customized content as technical libraries.

“This ecommerce platform combines the functionality of a B2B shop with the user-friendly aesthetics of a B2C platform,” says Martijn Reissenweber, Director of Huisman Global Services. He adds that the ecommerce platform has global applicability that suits Huisman’s international presence.



“Online Metals allows us to quickly onboard new sellers who want to reach the millions of metal buyers.”

— Gregory Raece, president, Online Metals

Munro’s Safety Apparel is a supplier of customized industrial clothing and footwear from major brands for corporate customers who order such special treatments as embroidery, emblems, reflective trims and flame-resistant fabric.

In business for nearly a century, the family-owned and -operated company launched a safety apparel division in 1976, focusing on the workwear needs of the petrochemical industry’s refineries and chemical plants. It has faced a longtime challenge in maintaining product specifications and custom catalogs for each corporate customer.

Now, Munro’s Safety is developing customized commerce sites for individual client companies, Destiny Martin, ecommerce manager, said during a recent webinar presentation.

“Our goal with the ecommerce platform is to build unique website experiences for our customers that are defined by their uniform program,” she said.

Each customer website typically has from four to six buyer profile types, each with its own list of products they’re authorized to purchase. Under a prior ecommerce platform, Munro’s Safety says it

spent extensive manual labor to manage about 40 unique customer online stores.

The company has since migrated its ecommerce technology to the Znode API-first, headless commerce platform from Amla Commerce Inc. Munro's Safety says the new platform enables it to build a catalog for an online store within hours instead of one to two weeks under the prior platform.

The company adds that Znode's built-in product information management system, or PIM, has made it easier to publish up-to-date and accurate product information to all customer websites.

GOING DIGITAL FOR HOME IMPROVEMENT PRODUCTS

Manufacturer American Bath Group also produces customized product content on about 40 customer-focused websites and is using it to ease the process.

Builders FirstSource, a distributor of structural building products for new residential construction and repair and remodeling, is going all in on digital.

The distributor operates 569 locations in 42 states and generated sales of \$27.62 billion in 2022. It's staging a full rollout of a new digital platform in early 2024 that will generate "hundreds of millions of sales," said chief financial officer Peter Jackson on the company's third-quarter 2023 earnings call.

"The other big important piece for us is digital, and we think that we already have a lead. We think we're already the easiest to do business with, we're the most efficient, we've got the best



"Our goal with the ecommerce platform is to build unique website experiences for our customers that are defined by their uniform program."

— Destiny Martin,
ecommerce manager,
Munro's Safety Apparel

technology and we're about to take a big leap in that space that we think is going to be both hugely beneficial to our customers, but also make us even more the supplier of choice and the partner of choice in this industry," Jackson told analysts.

MYBLDR: BUILDERS FIRSTSOURCE'S DIGITAL PLATFORM

Builders FirstSource's digital platform, called myBLDR, is built on digital infrastructure and modeling applications from Paradigm technology. It gives builders and contractors access to:

- Project document storage tools
- 3D homes previews
- Online material estimates and ordering
- Features to check delivery status, job scheduling and other tasks

"As we look forward to our full product launch in Q1, we have made it a priority to drive digital adoption across our operations. MyBLDR.com is designed to create efficiencies for both our team members and customers by offering improved transparency and engagement in the homebuilding process," CEO Dave Rush told analysts, according to a transcript from SeekingAlpha.com. "Taken with our proprietary estimating and configuration tools, this gives our customers more control over the entire building process, saving both time and money for our customers and their clients, while making the homebuilding process more personalized." ■



"We have made it a priority to drive digital adoption across our operations."

— Dave Rush, CEO,
Builders FirstSource

MANAGING INVENTORY AND ORDER MANAGEMENT IN SELF-SERVE RETAIL KIOSKS

With 34,000 distribution points across the contiguous 48 states — ranging from 7-Eleven and Wawa chain convenience stores to ski resorts, zoos, aquariums, and assorted mom-and-pops — ice cream brand Mini Melts has a solid base for selling its cryogenically frozen “beaded” ice cream products, says Dan Kilcoyne, president and CEO, Mini Melts USA & Mini Melts of America, Inc.

“We’ve been growing about 30% year over year for the past two years and already sold over 30 million cups of Mini Melts for 2023,” he says. And with plans for 10 new distribution centers, bringing the total to 33, he says Mini Melts expects to have nearly 10,000 additional distribution points and “a 50% sales increase in 2024.” The family-owned and -operated company doesn’t report revenue figures.

Mini Melts has built its brand on producing and marketing ice cream that is frozen to about minus-40 degrees, a process that produces ice cream with the texture of round beads or popcorn-like kernels in 13 flavors ranging from vanilla, chocolate and strawberry to birthday cake, banana split and cotton candy.

Managing timely deliveries of Mini Melts ice cream and meeting each retail location’s inventory needs by

volume and flavor assortment, however, relies on a mostly home-grown system of collecting, analyzing and sharing data on what’s selling at each location and systemwide.

The company uses its own freezer-equipped trucks to deliver its ice cream in cases of individual-serving cups that each retailer then keeps in Mini Melts-branded self-serve freezers or robotic kiosks. Mini Melts also organizes the retail freezers to support inventory management and reordering.



A mobile app lets delivery drivers remotely monitor inventory in Mini Melts self-service kiosks, which transmit sales data to the app each time a kiosk robotic arm fetches an ice cream cup and dispenses it through the kiosk retriever bin.

The company uses a predictive restocking method to manage deliveries and keep each retail location stocked with a full range of flavors and best-selling items. As Mini Melts collects sales data from each retail location, its data analytics team updates a predictive sales model weekly to forecast upcoming delivery volumes.

“Customers never have to call us,” Kilcoyne says. ■



“We’ve been growing about 30% year over year for the past two years.”

— Dan Kilcoyne, president and CEO, Mini Melts USA & Mini Melts of America, Inc.

ORDER MANAGEMENT IS THE HEART OF A GREAT B2B CUSTOMER EXPERIENCE

An executive conversation with **Pawan Gupta**, vice president of customer strategy, advisory and sales, Blue Yonder



Delivering a world-class customer experience has become the driving force for many B2B companies that want to rise above the competition. And many are turning to modern technologies designed to make the complex B2B order fulfillment experience easier. To discuss how order management sits at the center of the IT ecosystem that helps create great experiences for B2B customers, Digital Commerce 360 B2B spoke with Pawan Gupta, vice president of customer strategy, advisory and sales at Blue Yonder.

What are the market trends around B2B order fulfillment?

B2B buyers are demanding more B2C-like shopping experiences. And B2B companies need capabilities to support that for both their customers and their internal staff like sales, distribution center staff and customer service representatives. They need a win-win strategy to grow sales, optimize the customer experience and drive profitability.

For customers, this would be technology that gives them self-serve capabilities to see real-time inventory positions, make purchases and receive notifications about when their orders will be delivered. For staff, it means giving them access to tools that put that information at their fingertips and empower quick, informed data-driven decisions.

Most companies are increasingly serious about sustainability and meeting environmental mandates. As a result, companies have new imperatives to reduce carbon footprints. An example of how they approach reducing the carbon footprint would be to deliver the same number of orders with fewer trucks carrying larger loads.

What challenges do B2B companies face trying to deliver these types of customer experiences?

First, many companies are still processing orders manually, which increases the error rate and the cost to serve customers. It also delays orders and overall is inefficient. Second, the absence of business rules, event-driven order fulfillment processes and static order allocation rules is error-prone and restrictive. Businesses are unable to proactively track orders and exchange information with partners, customers and supply chain systems. And when there is a disruption or modification to the supply or the demand, they cannot react fast enough. Lastly, they face

a hurdle in unlocking the powers of AI and ML to improve customer experiences and create resiliency in the supply chain.

How are customers leveraging an order management system (OMS) to address these challenges?

An OMS is built to address these challenges. It allows companies to automate business rules to orchestrate the entire order fulfillment process. And the right OMS, built for B2B complexity, provides dynamic order allocation capability while managing the cost of fulfillment. For example, when several orders come in for the same product, but inventory is limited, business rules decide how to allocate those orders. They may want to prioritize top-tier customers, or they may want to apply a “fair share” allocation rule, which divides up the available inventory among the customers.

The right OMS gives customers and staff real-time inventory visibility and expedites order fulfillment — optimizing the pick, pack and ship process; consolidating orders when possible; and communicating with downstream systems such as warehouse and transportation management.

How does an OMS complement the existing IT landscape in an end-to-end supply chain?

Order management sits in the center of the IT ecosystem. It interacts with the warehouse management and transportation management systems, planning and forecasting systems, payment solutions, tax software and ERPs.

A big mistake companies make is thinking that, if they have an ERP, they don't need an OMS. But an ERP can't replace an OMS. It's the complement of both solutions working together that creates the best order fulfillment and customer experience.

In a nutshell, order management is critical for businesses that are undergoing supply chain or digital transformations. They need these capabilities to compete and provide the experience their customers are demanding.



There's a better way to manage orders.

Innovate Your Order
Experience with Blue Yonder.



You have technology in place to manage orders, but could the experience be better? Blue Yonder Inventory and Order Management solutions help accelerate digital commerce transformation and meet omnichannel demands without the headache of replacing your current systems. Start the journey to network-wide inventory visibility, transparent order orchestration, and happy customers!

DESPITE HEADWINDS, B2B COMPANIES KEEP DIGITAL COMMERCE MOVING FORWARD

Many B2B sellers are seeing slowing sales from repeat customers as they scale back orders due to a softer economy. But the key to future growth is accelerating digital transformation — and commerce.

Ask manufacturers and distributors on how they feel about current business conditions and a common answer might be: “We’ve had better years.”

Through the first three quarters of 2023, the combined sales of B2B manufacturers and distributors declined 1.5% to \$11.010 trillion from \$11.182 trillion in the first three quarters of 2022 based on a projection from Digital Commerce 360 using monthly B2B sales data from the U.S. Department of Commerce.

For the period January through December 2022, manufacturer sales grew 0.3% to \$5.010 trillion. At the same time, sales for business distributors and wholesalers declined year over year 3% to \$5.986 trillion from \$6.171 trillion.

Many distributors are seeing slowing sales from repeat customers as they scale back orders due to a softer economy. A case in point is MSC Industrial Supply Co. MSC reached a milestone during its 2023 fiscal year ended Sept. 2, surpassing \$4 billion in annual net sales for the first time. But ecommerce sales, which accounted for more

than 60% of total sales, slid by 3% year over year in the fiscal fourth quarter. The distributor attributed the drop in digital sales mainly to public sector sales occurring in non-ecommerce channels.

But MSC, like many other distributors, continues to double down on expanding digital commerce as business markets shift to accommodate even bigger waves of digital-first customers. “Looking forward, we expect improvement in our ecommerce sales, particularly through MSCDirect.com, as we start rolling out enhanced capabilities, including improved search and navigation functions,” says MSC chief financial officer Kirsten Actis-Grande.

The third quarter was a good one for maintenance, repair, and operations (MRO) and industrial supplies distributor W.W. Grainger Inc. But even though the company’s core ecommerce business units did well, there was some softening around the sales channel because of a slower business economy.

“Within the Endless Assortment business, while we continue to see a softer demand environment, we remain focused on acquiring new customers and improving repeat purchase rates across the segment,” CEO D.G. Macpherson told analysts on the Q3 earnings call, according to a transcript from Seeking Alpha.

KEY TAKEAWAY 1

Year-to-date sales information is that sales — and other B2B manufacturing and distribution metrics — are hibernating.

KEY TAKEAWAY 2

Rising costs and slowing demand from a softening economy are hindering business-to-business purchasing.

TOTAL B2B SALES HIT THE SKIDS

(in trillions)

QUARTER	2023 TOTAL B2B SALES	2022 TOTAL B2B SALES	GROWTH	2023 MANUFACTURER SALES	2022 MANUFACTURER SALES	GROWTH	2023 DISTRIBUTOR SALES	2022 DISTRIBUTOR SALES	GROWTH
Q1	\$3.649	\$3.572	2.1%	\$1.630	\$1.566	4.1%	\$2.018	\$2.005	0.6%
Q2	\$3.597	\$3.725	-3.4%	\$1.621	\$1.628	-0.4%	\$1.976	\$2.097	-5.8%
Q3	\$3.763	\$3.883	-3.1%	\$1.771	\$1.815	-2.4%	\$1.992	\$2.068	-3.7%
YTD Sales	\$11.010	\$11.182	-1.5%	\$5.023	\$5.010	0.3%	\$5.986	\$6.171	-100.0%

Source: U.S. Department of Commerce



“We expect improvement in our ecommerce sales, particularly through MSCDirect.com.”

— Kirsten Actis-Grande, chief financial officer, MSC Industrial Supply Co.

Grainger operates various digital sales channels. Web-only sales in its Endless Assortment segment grew in the third quarter. Endless Assortment’s segment includes Zoro.com in the United States and Japan-based MonotaRo.com.

Overall sales for the fiscal third quarter ended Sept. 30 grew to \$4.288 billion. That’s up 6.7% from \$3.94 billion in the third quarter of 2022. Net income was \$493 million compared with \$442 million in the prior year.

Endless Assortment segment grew 4.3% in the third quarter to \$732 million. That’s up from \$701 million in Q3 of 2022.

The company’s High Touch business grew to \$3.403 billion. That’s up 7% year over year from \$3.180 billion. The business segment includes full-service sales through the company’s U.S. flagship Grainger.com, Canada-based Grainger.ca, and its sales agents.

“The High-Touch Solutions segment continues to perform well, with sales up 8.5% in daily constant currency underpinned by growth across all geographies,” says chief financial officer Dee Merriwether.

Regardless of how the economy performs through the first part of the next year, many B2B sellers agree that continuing forward with

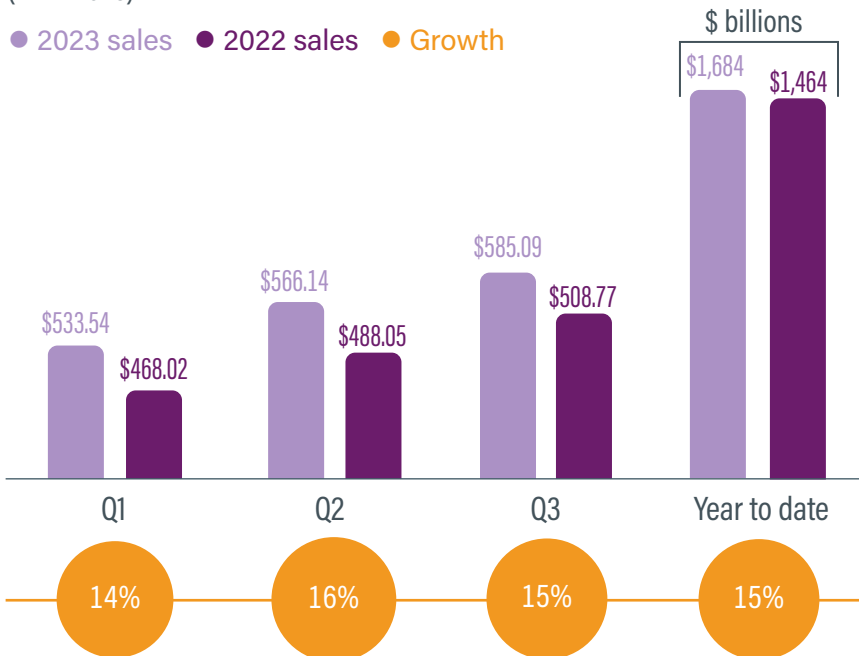
digital transformation and accelerated digital commerce is the path to accelerated growth. A case in point is Watsco Inc.

Watsco Inc. is gaining ground on several fronts as it focuses on building out an already-dominant position as an online distributor of heating, ventilation, air-conditioning, and refrigeration products.

For the fiscal third quarter ended Sept. 30, Watsco said ecommerce sales rose about 15%. Watsco ecommerce sales accounted for about a third, or \$702.9 million, of total sales of \$2.1 billion. It also noted that ongoing improvements to its digital commerce technology and practices have resulted in a 19% expansion over the past 12 months to 54,000 customers with active ecommerce accounts.

B2B ECOMMERCE SALES CONTINUE TO GROW AT A HEALTHY CLIP

(in millions)



Source: Digital Commerce 360 B2B estimate based on market analysis, interviews with key analysts and analysis of ecommerce metrics of select public companies.

KEY TAKEAWAY 1

Some manufacturers are embracing — or accelerating — digital commerce, as more organizations continue to increase their online purchasing.

KEY TAKEAWAY 2

An up-and-down economy and slowed sales productivity are causing these organizations to use more digital commerce to improve operational efficiency.

“Our mobile platforms and ecommerce channels have increased customer engagement, reduced attrition, created market share gains, and supported our margin expansion,” chairman and CEO Albert Nahmad said on the company’s recent earnings call with investment analysts.

Nahmad said that Watsco has added over 400,000 new SKUs to its digital product library since the start of 2023. He noted that “approximately 60% of the HVAC systems we are now selling represent new products.”

Watsco notes that its product information management (PIM) database contains over 1.5 million SKUs. They’re available to more than 350,000 contractors and technicians.



MANUFACTURING SALES INCH FORWARD

	2023 SALES	2022 SALES	GROWTH
January	\$547,780,000,000	\$515,741,000,000	6.2%
February	\$542,788,000,000	\$519,889,000,000	4.4%
March	\$539,889,000,000	\$531,180,000,000	1.6%
April	\$577,840,000,000	\$532,061,000,000	8.6%
May	\$588,342,000,000	\$544,388,000,000	8.1%
June	\$609,697,000,000	\$551,942,000,000	10.5%
July	\$552,030,000,000	\$605,403,000,000	-8.8%
August	\$611,630,000,000	\$607,684,000,000	0.6%
September	\$608,024,040,000	\$602,004,000,000	1.0%
YTD Sales	\$5,178,020,040,000	\$5,010,292,000,000	3.3%

Source: U.S. Department of Commerce. *Digital Commerce 360 B2B estimate based on previous month's growth metric.



“Within the Endless Assortment business ... we remain focused on acquiring new customers and improving repeat purchase rates.”

— DG Macpherson, CEO, W.W. Grainger Inc.

In addition, Watsco makes available to professional customers its HVAC Pro+ mobile apps. They provide real-time information to such details as:

- Product specifications
- Technical support
- Inventory availability
- Warranty look-up and processing and access to ecommerce ordering

Watsco said it also increased online gross merchandise sales 31% year over year during the first nine months of this year. Those sales grew to \$958 million through its OnCallAir digital sales platform and its companion CreditforComfort consumer-financing service.

Nahmad said the company’s digital technology strategy is supporting its long-term goals for improving gross profit margin to 30% (up from 26.7% in Q3) while also upgrading how it engages contractors and end customers.

Aaron (“A.J.”) Nahmad, president, said Watsco’s overall digital strategy enables the company “to do analytics on opportunities, enhance our capabilities, and measure and track our successes in all parts of our business — things like prospecting and winning new customers and changing and improving how customers engage with us with things like ecommerce in our apps, which eventually reduce our cost to serve those customers.”

Albert Nahmad asserted that, as Watsco’s financial position continues to improve, it “provides us the flexibility to invest in virtually any opportunity” in the \$50 billion North American [HVAC] market.

He added that merger-and-acquisition activity “remains an important contributor” to Watsco’s growth and noted that, in Q3, the company acquired South Carolina-based Gateway Supply Co., a regional HVAC and plumbing supplies distributor, “giving us the ability to partner with great leadership to grow beyond their

DISTRIBUTORS LOOK TO RECALIBRATE SALES GROWTH

	2023 SALES	2022 SALES	GROWTH
January	\$693,837,000,000	\$669,671,000,000	3.6%
February	\$669,458,000,000	\$661,122,000,000	1.3%
March	\$655,299,000,000	\$675,072,000,000	-2.9%
April	\$629,541,000,000	\$691,605,000,000	-9.0%
May	\$684,419,000,000	\$696,035,000,000	-1.7%
June	\$677,734,000,000	\$709,584,000,000	-4.5%
July	\$622,125,000,000	\$683,522,000,000	-9.0%
August	\$692,957,000,000	\$701,328,000,000	-1.2%
September	\$677,081,188,119	\$683,852,000,000	-1.0%
YTD Sales	\$6,002,451,188,119	\$6,171,791,000,000	-2.7%

Source: U.S. Department of Commerce. *Digital Commerce 360 B2B estimate based on previous month's growth metric.

\$180 million sales.” Gateway operates an ecommerce store for HVAC and plumbing supplies and offers contractors online Pro accounts. Since 1989, Watsco has acquired 68 businesses.

B2B buyers plan to increase online spending this year — and they prefer manufacturers’ ecommerce sites, a new study from Digital Commerce 360 and Forrester Research finds.

The key takeaway: 70% of B2B buyers said they plan to spend more online this year, and more than half of B2B buyers say they prefer to buy on manufacturers’ ecommerce sites for the excellent product content.

Gene Alvarez, distinguished vice president and analyst covering digital commerce technology at research and advisory firm Gartner Inc., says B2B companies today have plenty of options for deploying ecommerce technology based on their resources and their customers’ demands regarding the online buying experience.

Companies with limited IT resources can opt for software-as-a-service platforms that support customized customer-facing front ends. But businesses with more substantial resources can move up to even more customizable modular and composable MACH platforms with extensive use of microservices, APIs, cloud and headless infrastructure configurations, Alvarez says.

As competition increases in B2B ecommerce, and companies develop new and innovative ways to interact with buyers and make their customers’ jobs easier, it will be crucial for online sellers to operate commerce technology they can modify to keep up with new standards.

“As new innovation comes along, you need to be able to bring about that innovation because it will be table stakes within a year,” Alvarez says. “That’s where MACH brings advantages.” ■

CASE STUDY: EBAY

HOW EBAY WORKS WITH ENTREPRENEURS TO PROD GROWTH

With its roots in home-grown ecommerce sales, eBay is expanding its strategy of helping start-ups and other small and mid-sized sellers grow online storefronts and reverse recent slides in the marketplace's gross sales.

When eBay Inc. gathered feedback recently from thousands of its small and mid-sized sellers across the globe, it learned that more than two-thirds expect revenue gains over the next 12 months.

It's the kind of broad-based growth projections that launched the mid-1990s ecommerce pioneer with a bevy of entrepreneurial sellers.

No wonder, then, eBay is out to prod ongoing growth with an array of new selling tools for today's generation of sellers, including fast-growing small and mid-sized businesses that cater to what eBay calls "enthusiast buyers" of unique items ranging from sneakers and baseball trading cards to luxury handbags.

"We're really focused on, 'How do we meet the needs of these enthusiast buyers?'" says Michelle Warvel, vice president of product, seller experience. She notes that such buyers account for about 70% of eBay's annual gross merchandise volume sold on its marketplace.

“We’re thinking about our sellers’ experiences: how do we build tools for our sellers so that when they list a sneaker, or they list a luxury handbag, we’re giving them the right guidance so that they are meeting their buyers where they are.”

The new toolset covers:

- More easily set up customer accounts.
- AI-generated content in “magical listings,” which eBay says has resulted in longer, more detailed product descriptions designed to help sellers move more unusual items.
- Automated online offers that sellers send to customers through eBay’s M2M messaging platform to alert shoppers to lower prices or other product offers designed to spark sales in otherwise inactive or “stale” product listings.
- Managing “shoppable posts” on multiple social channels like Instagram and Facebook.”
- eBay Live interactive livestream selling, which eBay says has gained traction with sellers and buyers since it launched in May.

eBay notes that its new slate of sellers’ tools each serves a distinct purpose but share a common strategy of engaging buyers who want more exciting interactions, such as conversing with a seller through an eBay Live livestreamed sales event.

THINKING ABOUT ‘THE FUTURE OF ECOMMERCE’

“eBay Live is a new platform that we just launched for our sellers, and that’s allowed them to reach a whole new audience ... that Gen Z consumer who loves to watch live shopping and gets to chat directly with the seller,” Warvel says. “It’s just been a really interesting way to think about kind of the future of commerce.”



“We’re really focused on, ‘How do we meet the needs of these enthusiast buyers?’”

— Michelle Warvel, vice president of product, seller experience, eBay Inc.

Jamie Iannone, eBay’s president and CEO, said on a recent second-quarter earnings call that eBay is basing its ongoing growth strategy on “the three pillars of relevant experience, scalable solutions, and magical innovation.”

EBAY’S PLANS FOLLOW RECENT MIXED RESULTS IN ITS MARKETPLACE ACTIVITY.

For the second quarter ended June 30, the company reported a 5% year-over-year increase in revenue to \$2.5 billion but a 12% drop in gross merchandise volume to \$18.2 billion. For the full year 2022, revenue fell 6% to \$9.8 billion, as GMV declined 15% to \$73.9 billion.

Investment analysts raised the importance of reaching new customers on the Q2 earnings call when Michael Morton, an analyst with Moffett Nathanson, asked: “Are you having some effectiveness in converting the millennials and Gen Z, who have maybe grown up in a different era of interacting with marketplaces?”

Iannone responded that, besides introducing new brands popular with younger adults, eBay was seeing a notable response to the

recently launched eBay Live. He noted that eBay did “over 300” eBay Live commerce events within the first couple of months.

“Sellers and buyers are getting really engaged in that,” he said. “And so that opportunity for us is to drive that customer lifetime value for a buyer as well as attract those new buyers on the platform.”

eBay makes a schedule of upcoming eBay Live events available in the eBay Live Hub.

USING AI TO ENGAGE CUSTOMERS

Warvel says that eBay is also reaching into its long ecommerce history to provide sellers with extensive customer demand data, now enhanced with AI, for more effective product listings.

“eBay knows what buyers want; we know what types of things that a sneakerhead, for example, wants to understand about the condition of the shoe before they purchase,” she says.

But eBay will continue to work with AI and sellers — Warvel notes that many sellers have AI experience — to improve how the most valuable product attributes appear in site search and product listings.

“Optimizing and being dynamic in the listing based on the item that they’re selling is something that we’re working on the magical listing flow,” she says.

In a recent survey of 4,334 eBay sellers in the United States, the U.K., Germany, Canada, Japan and Australia, eBay found that 68% of respondents expect their eBay business to grow over the next five years and that 55% expect their overall business to grow over the next 12 months. eBay conducted the survey in association with global insights and advisory consultancy GlobeScan. ■

ABOUT DIGITAL COMMERCE 360

Digital Commerce 360, formerly Internet Retailer, has been a global leader in retail and B2B ecommerce research and media for over two decades. Our organization provides daily news, trend analysis, and competitive data to a vast community of executives, retailers, financial firms, manufacturers and more. Our team of experienced journalists and researchers publish a multitude of products each year, including dozens of research reports, newsletters, charts and infographics, webinars, live events, and data on thousands of ecommerce companies through its Digital Commerce 360 Research brand. We also founded groundbreaking ecommerce products and events, including Internet Retailer magazine, the Top 500 Guide, the Internet Retailer Conference & Exhibition (IRCE) and, most recently, the EnvisionB2B Conference & Exhibition.

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