B2B ECOMMERCE SITE SEARCH TRENDS

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INTRODUCTION
THE B2B STATE OF SEARCH

In an era where generative AI and advanced technologies are reshaping industries, 2024 is emerging as a pivotal year in the evolution of B2B ecommerce. This report, B2B Ecommerce Site Search Trends 2024, captures this transformation, focusing on how B2B organizations are leveraging search and discovery platforms to enhance their digital capabilities and drive sales. Drawing from a comprehensive survey of over 700 decision-makers across key global markets, we delve into the priorities, challenges, and aspirations of B2B companies in this dynamic landscape.

B2B buyers increasingly expect a superior digital experience that can rival the same level of service they've come to expect when dealing with in-person sales team visits. Nearly all B2B purchases now start with search. Given this shift, it's essential that B2B organizations leverage the right ecommerce strategies and solutions to deliver a superior customer experience.

Data and insights from this report provide a roadmap for B2B decision-makers seeking to expand and intensify B2B ecommerce through search and discovery technology and AI. The core of the report is a comprehensive analysis of the B2B buyer's journey for search platforms and technology that will help B2B organizations stand out in an increasingly competitive marketplace, reduce costs, and drive profitability.

EXECUTIVE SUMMARY

Responses across the board indicate that a top strategy for B2B organizations during 2024 is to scale revenue by shifting it to ecommerce channels. Many are already building toward those aims, with 48% either recently invested in ecommerce or prioritizing it for the year ahead. Building on those investments, B2B organizations aim to stand out in a competitive marketplace, reduce costs by simplifying and automating business processes, and drive profitability.

To achieve those aims, B2B businesses need solutions that can help boost ecommerce sales and increase market share. Many are embracing AI-powered tools and technology in the search and discovery space.

What drives the selection process for search and discovery solutions?

B2B organizations currently face tech stack limitations that complicate or slow performance as well as front-end platform challenges, which inhibit merchandisers and business users. B2B organizations are seeking advanced search solutions and platform upgrades to:

- Accelerate performance
- Improve system integration
- Eliminate or reduce time-consuming manual work

At the front-end, B2B organizations continue striving to deliver a faster, accurate, and more personalized customer experience. They're seeking tools and platforms that better understand user intention, leverage user preferences, and provide accurate and up-to-date product and inventory information in real-time – enhancements that improve the shopping experience and drive sales. A key trend emerging from the report: B2B decision makers are preparing to employ AI-powered search tools with advanced generative AI features as well as data analytics to deliver an overall better experience across the board to their customers—regardless of industry.

EIGHTY-SIX PERCENT OF B2B ORGANIZATIONS RESPONDED THAT THEY ARE LIKELY TO SELECT A SOLUTION WITH AI CAPABILITIES TO HELP DRIVE ECOMMERCE SALES.

Ultimately, decision-makers are looking for solutions that personalize the customer experience (46%), reduce manual labor and associated costs (42%), and improve the accuracy and relevance of search results (38%).

ABOUT THE REPORT

Our study aimed to uncover the current landscape and future trajectory of search and discovery in the B2B ecommerce space. We focused on understanding the key business goals, strategic priorities, and the role of search in achieving these objectives as well as the level of readiness of B2B companies to explore and embrace AI-powered solutions that can help them deliver a better search experience to customers. Additionally, the report offers insights into:

- The criticality of search and discovery for B2B decision makers

- Desired outcomes from search solutions in B2B contexts

- Factors influencing B2B purchasing decisions regarding search tools

- Benchmarks for measures of success in the B2B search and discovery domain

Methodology

Algolia partnered with Escalent, Inc. to conduct 700 telephone interviews with key decision-makers at B2B ecommerce companies in manufacturing and distribution in both North America and Europe (EMEA) in June and July 2023. The majority (70%) of the interviewees occupied business roles and the remaining (30%) occupied technical roles within their organizations. Everyone we spoke to was in a director role or higher.

700 INTERVIEWS >

350	North America
140	United Kingdom
140	Germany
70	France

In addition to profile information, survey questions asked what key use cases B2B organizations were solving and intended to solve with search platforms. We inquired into priorities for search as well as the research, selection, and decision-making process. We asked decision-makers about technology expertise, digital maturity and digitization plans in their organizations, as well as how they perceived the value of AI in meeting their goals.

Participant profile

Forty percent of organizations surveyed are manufacturing companies. The remainder comprises wholesale and distribution companies, which deal in durable and non-durable goods. In terms of sub-industries, electronics, food and beverage, and automotive companies make up over half of the total respondents.

OUR STUDY ENGAGED B2B ORGANIZATIONS OF ALL SIZES WITH A FOCUS ON ENTERPRISE COMPANIES.

EMPLOYEE SIZE

15% SMALL
under 250 employees

35% MID-SIZED
250 to 999 employees

50% LARGE
1,000+ employees

REVENUE

18% SMALL
under $50M

21% MID-SIZED
$50M to $200M

61% LARGE
over $200M

One quarter of survey respondents sell exclusively to other businesses while the remaining three quarters have businesses and end-consumers as customers. In most operations, therefore, there's a significant presence of dual-audience marketing strategies.

ROLE TYPE

70% - Business

30% - Technical
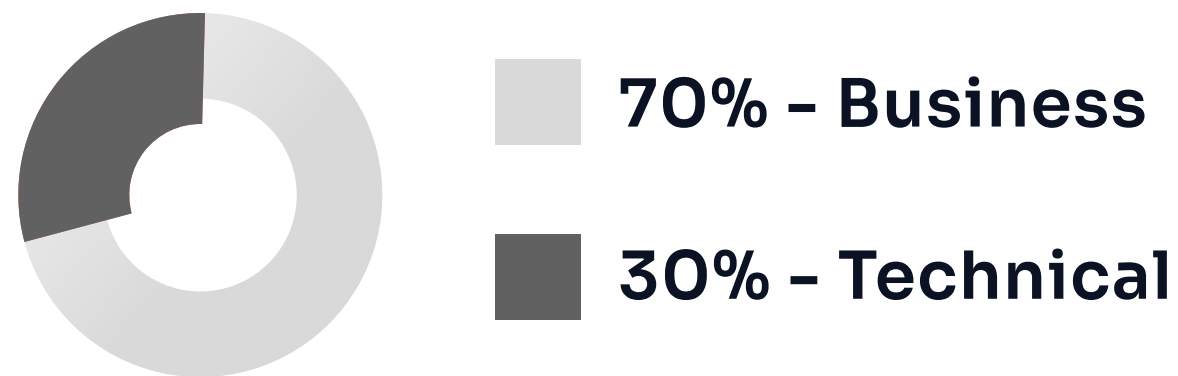
ROLE

4%	Owner
4%	President or CEO
7%	C-Level Executive
12%	Senior Vice President
21%	Vice President
53%	Director

DEPARTMENT

18%	Marketing/Advertising
17%	Finance/Accounting
16%	Operations/Logistics
14%	Manufacturing/Production
13%	Information Technology (IT)
8%	Procurement
7%	Customer Support/Success
4%	Sales
3%	Research & Development

Offline and online revenue streams

Despite the focus on ecommerce across the sample, respondents reported that 74% of revenue earned continues to come from offline channels and only 26% from online channels. This indicates a huge revenue opportunity to grow not only ecommerce revenue, but also the business overall.

NEARLY HALF OF THE SURVEY RESPONDENTS (48%) HAVE RECENTLY INVESTED IN THEIR ECOMMERCE EXPERIENCE OR PLAN TO INVEST IN ECOMMERCE IN 2024.

PLANS FOR INVESTMENT IN ECOMMERCE EXPERIENCE

	Total	25% or less (a)	26%-50% (b)	51%+ (c)
Plans to invest in ecommerce experience next year	20%	27% b	12%	-
Has recently invested in ecommerce experience past year	28%	33% b	23%	9%
Has not recently invested in ecommerce experience nor have no plans to invest in next year	5%	7% b	3%	-
Currently have a well-established experience, not prioritizing investment next year	46%	33%	63% a	91%

*Lowercase letters indicate statistically significant difference at the 95% confidence level.

% of Revenue Generated via Online Channels

While these organizations currently earn less revenue from online channels, those investments are intended to reverse this trend and maximize potential online revenue. B2B companies that already have well-established ecommerce experiences currently generate more revenue through online interactions.

NEW PRIORITIES FOR A SHIFTING B2B LANDSCAPE

B2B organizations share certain common goals for the year ahead. The majority want to scale revenue and profitability and increase their market share. Survey respondents selected the following as key business priorities for 2024:

KEY BUSINESS PRIORITIES FOR 2023

SCALE REVENUE AND PROFITABILITY

69%

SHIFT REVENUE FROM IN-PERSON TO ECOMMERCE CHANNELS

53%

SIMPLIFY AND AUTOMATE BUSINESS PROCESSES

44%

REDUCE COSTS

40%

A key takeaway is that the top objective of scaling revenue is tied directly to the shift toward ecommerce. Websites have infinite reach and scalability, with the potential to outperform in-person channels—and at lower cost.

From in-person relationships to digital-first

These priorities reflect a changing business landscape for B2B organizations. Despite their eagerness to shift revenue to online, ecommerce is still a new space for a large swath of B2B organizations. Many have been in operation for decades primarily as relationship-driven businesses in which generational deal-making has played an important part. Simply put,

B2B organizations have traditionally used the "personal touch" to build customer connections, drive sales, and secure ongoing business.

Maintaining and strengthening those connections online demands special skill sets and technology that can serve a highly personalized experience that straddles both in-person and online channels seamlessly.

A highly competitive ecommerce terrain

IT'S AN IDEAL TIME FOR B2B ORGANIZATIONS TO ALIGN WITH CHANGING PURCHASING BEHAVIORS.

Mirroring the B2C space, B2B customers increasingly begin their buying journey online. Generational change promises to deepen this shift. In time, millennials who opt for digital interactions will displace relational-based Baby Boomer buyers.

B2B is now in a transitional phase that incorporates both relational and ecommerce sales. However, the largest players have had a head start building digital self-serve offerings that feel direct and personal. In today's ecommerce landscape, that represents a risk. B2B organizations are now competing with ecommerce giants that have vast and specialized product availability and dozens of engineers fine-tuning their search experience.

Parallel to that trend from the seller side, Amazon and other leading ecommerce platforms that provide strong user experiences and are well-known in the B2C space are fast becoming competitors in B2B as well. Large, traditional B2B players like Grainger are occupying more space in B2B ecommerce through extensive catalogs and deep product specialization.

B2B ORGANIZATIONS ARE FEELING THE PRESSURE AND ARE SEEKING WAYS TO DIFFERENTIATE THEMSELVES FROM AGGREGATE SELLERS AND REMAIN COMPETITIVE WITHIN THEIR MARKETS.

Building a unique experience for B2B customers

AT THE SAME TIME, B2B ORGANIZATIONS DEEPLY UNDERSTAND THEIR CUSTOMERS' NEEDS AND CHALLENGES.

Their shoppers are largely mission-driven. They're looking for highly specialized parts and materials in specific dimensions, available in specific quantities and at specific times. They might be working inside complex buying agreements with fixed time periods. Many buyers are used to placing orders and doing detailed product and inventory searches over the phone.

ECOMMERCE OPTIONS CAN BENEFIT CUSTOMERS AND VENDORS ALIKE BY FREEING UP HOURS OF LEGWORK.

At the same time, any inaccuracies, inefficiencies, or deviations in the process have business and performance implications for B2B customers.

To be successful, B2B ecommerce experiences need to function as efficiently or better than in-person sales, which can actually help sales teams operate with more efficiency and impact.

THE BUYER'S JOURNEY

As ecommerce experiences take on a more consultative role, they will understand and address specific customer needs. B2B organizations now have a considerable opportunity to grow revenue by shifting focus from in-person to ecommerce channels. A successful shift not only introduces operational and cost efficiencies but expands revenue potential by scaling reach to new customers and gaining market share.

Building an exceptional search and discovery experience

MANY B2B ORGANIZATIONS ARE DISCOVERING THAT SEARCH AND DISCOVERY TECHNOLOGY IS THE CORNERSTONE OF THEIR ECOMMERCE EXPANSION.

It's the fundamental part of the technology stack that can help B2B businesses differentiate themselves, meet rising customer expectations, and increase ecommerce sales to meet their profitability objectives.

As with any technology investment, selecting a search and discovery solution can be a complex process that involves balancing priorities, identifying use cases, and drawing on a range of resources and voices.

To help B2B leaders navigate the selection process, this section focuses on the B2B buyer's journey for search solutions. For every organization, this journey begins with an awareness stage and needs assessment, proceeds to solution evaluation and consideration, and ends with a final decision that best supports organizational goals. The following survey results demonstrate how B2B organizations proceed with purchasing and what factors are informing their decisioning process in 2024.

Kickstarting the process: key buyers

Within B2B organizations, certain influencers take the lead on technology purchasing initiatives. Survey respondents reported that senior leadership teams are responsible for improving top brand funnel metrics, while IT teams and upper management focus on mid-to-lower funnel conversion efforts. As such, it is often senior leadership that leads the prioritization of search for ecommerce, and sees that initiative through to a final decision.

While the buyer's journey can be initiated by senior leadership in business and technical roles, business leadership takes the lead slightly more often than technical leadership (for 40% and 33% of respondents,

respectively). Both business and technical senior leaders are top influencers for making decisions (45% and 43% respectively).

Another interesting aspect is the sources of information that these key players rely on to learn more about acquiring possible search solutions. With industry-related blogs ranking as the most influential informational source for nearly half the respondents (49%), followed by social media.

Similarly, nearly half of respondents also cited general search engines as their most popular go-to source when doing discovery around search solutions available in the market (46%).

KEY ROLES

TOP INFLUENCERS

	Initiated the prioritization	Final decision
Senior Business Leadership	40%	45%
Senior Technical Leadership	33%	43%

TOP TEAMS

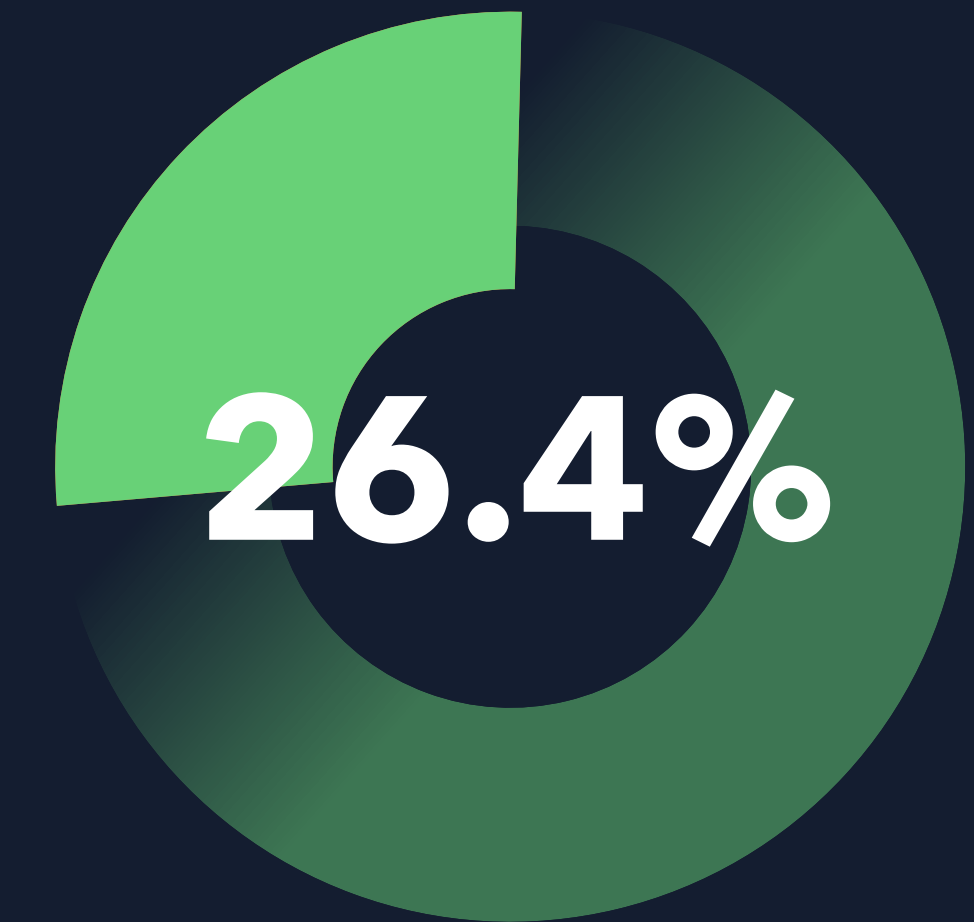|	IT Teams	Upper management
% involved in buying process	80%	66%
Heavy influence	55%	34%
Made final decision	39%	64%

Buyer behavior: order value and frequency

As noted in participant profiles, only 26% of revenue currently for B2B organizations is earned via online channels. The remaining 74% comes through traditional sales-led/in-person transactions. When customers do place orders online, 61% of those orders are a mix of large and small-value products. Our survey data suggests that customers who opt for online purchasing do so frequently; 58% of respondents made purchases once a week or more through ecommerce portals. Thirty-three percent made ecommerce purchases a few times per month, and only 9% made a single monthly purchase.

WITH ONLY ABOUT 1/4 OF CUSTOMERS PURCHASING THROUGH ONLINE CHANNELS, THERE IS A CLEAR NEED FOR GROWTH IN THE ECOMMERCE SPACE FOR B2B ORGANIZATIONS.

FREQUENCY OF PURCHASE THROUGH ECOMMERCE PORTAL

ONCE A WEEK OR MORE OFTEN
58%

A FEW TIMES A MONTH
33%

ONCE A MONTH
9%
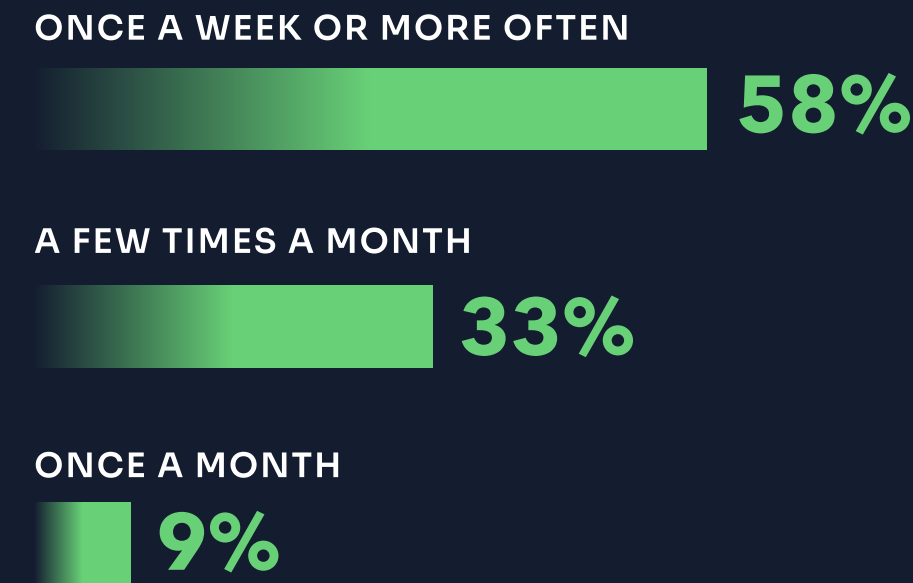
TYPE OF ORDERS TYPICALLY PLACED

A MIX OF SMALL AND LARGE VALUE ORDERS ONLINE
61%

LARGER VALUE ORDERS ONLINE
21%

SMALLER VALUE ORDERS ONLINE
19%

26.4%

Mean proportion of customers who make purchases through online channels

Factors driving the need for search

While B2B organizations differ widely in the types of search and discovery tools they use, many are united in their priorities for search. Forty-five percent are seeing increased competition and want to use search and discovery to differentiate themselves in the marketplace.

> **FORTY-ONE PERCENT OF ORGANIZATIONS INTEND TO USE SEARCH TO MEET HIGHER CUSTOMER EXPECTATIONS.**

34% want to use search to expand their online presence and increase ecommerce sales.

Survey respondents cited a range of additional drivers that reflect more specific needs. Thirty-two percent of B2B leaders recognize that their customers have difficulty finding products due to poor search functionality. Another 23% of respondents want to use search to consolidate data and information from various sources. Twenty-eight percent of B2B leaders see search as a fundamental way to level up to advanced technology at their organizations.

SECONDARY FACTORS DRIVING THE NEED FOR SEARCH

32% DIFFICULTY IN FINDING PRODUCTS DUE TO POOR SEARCH FUNCTIONALITY

32% TO SUPPORT BUSINESS GROWTH AND SCALABILITY

29% DESIRE TO IMROVE CUSTOMER ONLINE EXPERIENCE

28% NEED FOR MORE ADVANCED TECHNOLOGY

24% AUTOMATE PROCESSES FOR EFFICIENCY PURPOSES

23% NEED FOR CONSOLIDATION OF DATA OR INFORMATION FROM VARIOUS SOURCES

THE MAIN FACTOR DRIVING THE NEED FOR SEARCH (43%) IS INCREASING COMPETITION AND NEED FOR DIFFERENTIATION IN THE MARKETPLACE

How B2B organizations will use search

The largest percentage (43%) of B2B organizations want to use search solutions for searchandising (e.g., ecommerce), which blends the functionality of search with merchandising techniques across a catalog of items for purchase. Thirty-seven percent intend to focus search capabilities on support search, which provides customers with timely, relevant, and helpful product support documents, articles, and FAQs.

Another 37% of respondents will focus their search and discovery efforts across their entire website content to increase conversions and average order value. App search is a focus for 29% of respondents. These are search and discovery capabilities

THERE ARE VARYING USE CASES FOR SEARCH AND DISCOVERY SOLUTIONS, WITH WORKPLACE SEARCH BEING THE LEAST COMMON.

ORGANIZATION'S HIGHEST PRIORITY USE CASES

SEARCHANDISING	SUPPORT SEARCH	SITE SEARCH AND DISCOVERY	APP SEARCH	WORKPLACE SEARCH
43%	37%	37%	29%	17%
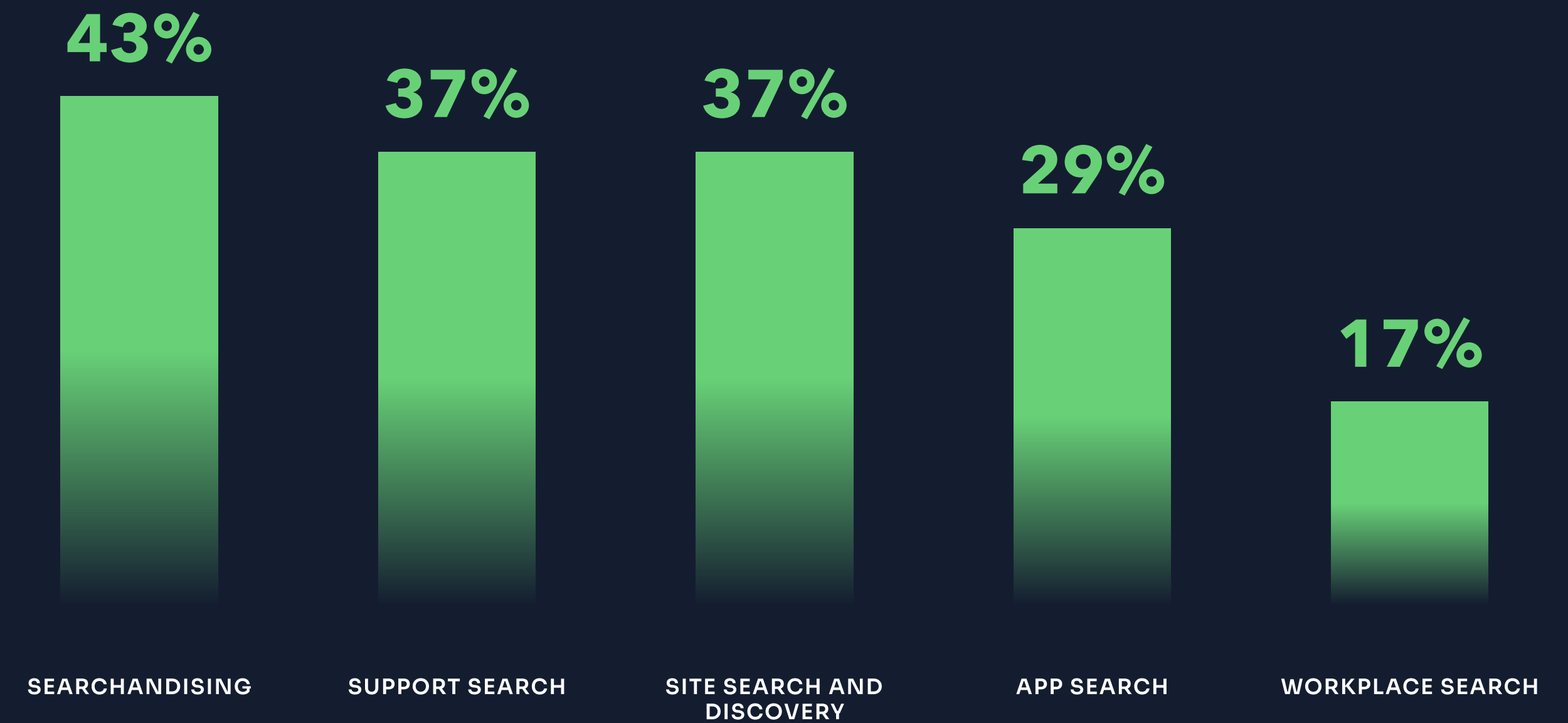
that function within a specialized app that enable customers to search and buy products directly from the manufacturer or distributor.

Seventeen percent of B2B enterprises are focusing their search and discovery initiatives on workplace search, which drives efficiency and employee productivity by connecting information platforms.

With the exception of workplace search, the data shows use cases for search from respondents are all sales focused (83%). Given the evolution underway in B2B commerce, it is clear that organizations are striving to build ecommerce experiences that mirror and complement the functionality of sales representatives

thereby giving customers the same level of service and experience in the phygital space (i.e., across physical and online spaces). B2B organizations need to think about web experiences that accomplish the same thing as quickly and intuitively as possible.

Advanced search implementations add value across these use cases. They understand user intent and can boost content that serves that precise need. Customer history and aggregate user purchase patterns can be used to streamline and personalize the customer experience. Recommendation engines can be leveraged to surface trending products and help customers discover new items, even those they may not have realized they wanted. The result is better performance on key metrics,

including higher conversions, order value, and order frequency, and reduced bounce rates.

Defining use cases helps B2B organizations focus on specific challenges and opportunities to address and improve through search.

43%
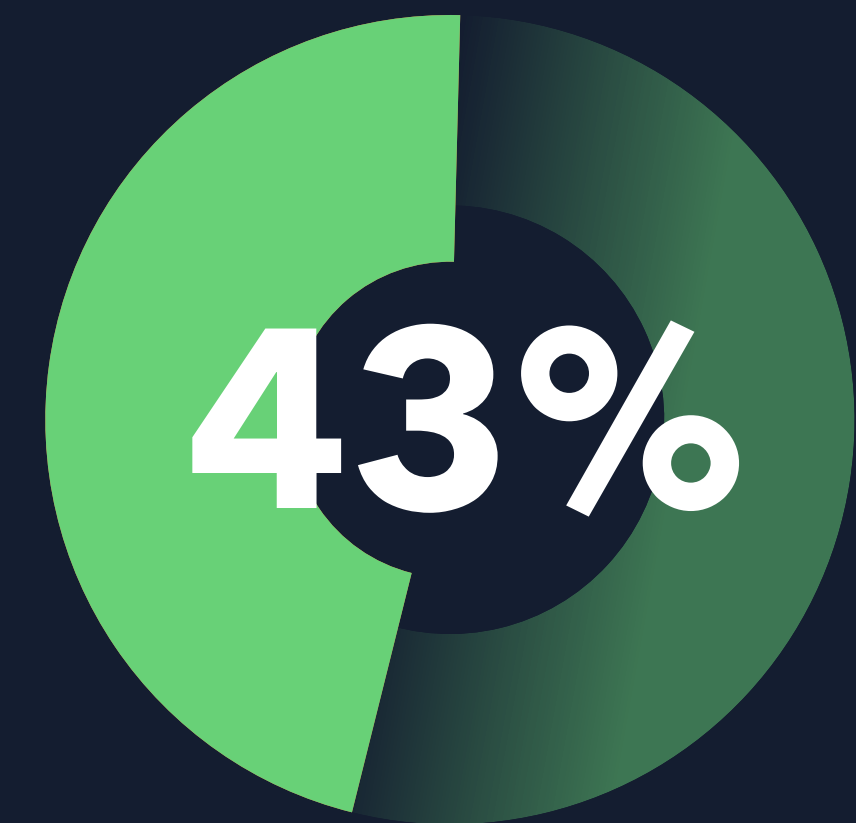
The largest percentage (43%) of B2B organizations want to use search solutions for searchandising (e.g., ecommerce)

Purchasing a search solution:
what stakeholders are influential?

As companies seek, prioritize, or increase investment in search, the following data can provide guidance on how to navigate your internal organization in securing a solution. During the evaluation and selection phases, IT teams and upper management continue to have the highest involvement. Upper management takes part in the search platform evaluation and selection process at 66% of B2B organizations.

Since search and discovery platforms require considerable technical expertise to configure and integrate, it isn't surprising that 80% of survey respondents identified IT teams as being involved at the start of the search purchasing journey.

IT TEAMS ALSO PLAY A PROMINENT ROLE IN THE BUYER JOURNEY AS HEAVY INFLUENCERS. UPPER MANAGEMENT PREDOMINANTLY MAKES THE FINAL DECISIONS.

TEAMS INVOLVED IN EVALUATION AND SELECTION

	% involved	Little or no influence	Some influence	Heavy influence	Made final decision
IT TEAMS	80%	<1%	6%	55%	39%
UPPER MANAGEMENT	66%	<1%	2%	34%	64%
BUSINESS TEAMS	34%	<1%	28%	39%	32%
MARKETING TEAMS	32%	7%	34%	47%	12%
PRODUCT AND ENGINEERING TEAMS	31%	2%	46%	37%	15%
PROCUREMENT TEAMS	26%	5%	36%	37%	21%
FINANCE TEAMS	25%	1%	20%	55%	24%
CUSTOMER EXPERIENCE TEAMS	21%	7%	60%	29%	4%
COMPLIANCE TEAMS	15%	10%	53%	30%	7%

IT teams are present at later stages, too, and heavily influence final purchase decisions in 55% of B2B companies. Upper management, however, holds more sway than IT teams when it comes to signing the bottom line. They influenced the final selection of search technology for 64% of survey respondents. Ultimately, however, senior business leadership has the final say in selecting a search solution in 45% of organizations.

Further down in organizations, business teams and marketing teams are involved in search platform evaluation at around a third of the organizations surveyed, which is considerably fewer than IT teams and upper management. However, their insight is considered fairly valuable, with marketing influencing the decision of around 47% of

respondents. Product and engineering teams, procurement, finance, customer experience, and compliance teams have the least involvement during evaluation, but can exert moderate to heavy influence over decisioning.

Researching search: what information sources stakeholders rely on

> WHEN LEADERSHIP TEAMS DELVE INTO THE PROCESS OF DISCOVERING AND PURCHASING SEARCH AND DISCOVERY SOLUTIONS, THEY CONSULT A RANGE OF SOURCES TO GUIDE THEM ALONG THAT JOURNEY.

The four resources used most frequently are general search engine results (46%), industry-related blogs (40%), vendor and supplier recommendations (40%), and social media sites (35%). The sources with the most influence on the selection process are reports from analyst firms (53%), industry blogs (49%), and company websites (47%). Business leaders consult three sources on average to initiate and inform their technology and vendor research.

INDUSTRY BLOGS IS A KEY CHANNEL OF OPPORTUNITY TO REACH PROSPECTS AS THEY ARE COMMONLY USED TO RESEARCH SOLUTIONS AND ARE STRONGLY INFLUENTIAL.

SOURCES USED WHEN RESEARCHING SOLUTIONS

46%	General search engine results	33%
40%	Industry-related blogs	49%
40%	Vendor or supplier recommendations	28%
35%	Social media sites	43%
28%	Industry conferences or events	33%
26%	Seminars or webinars	36%
26%	Word-of-mouth from professional peers	46%
23%	Consultants	34%
22%	Company website	47%
20%	Online forums	41%
19%	Analyst firms and reports	53%
19%	News / press releases / articles	30%
10%	Crowd-sourced review sites	43%
8%	Radio / podcasts	29%

3.6

AVERAGE # OF SOURCES USED

THE TOP 3 RESOURCES STAKEHOLDERS RELY ON WHEN RESEARCHING SEARCH ARE GENERAL SEARCH ENGINE RESULTS (46%), INDUSTRY-RELATED BLOGS (40%), AND VENDOR AND SUPPLIER RECOMMENDATIONS (40%).

Challenges in finding a search solution

While advanced search solutions are a fundamental part of shifting revenue to ecommerce, finding the right solution can be difficult. For 16% of study participants, even acknowledging the need for a search solution is a challenge. These B2B organizations have farther to go before seeing the importance of search in supporting omnichannel interactions, meeting customer expectations, and driving sales.

Insufficient technical expertise (within organizations) is another top challenge 23% of study participants say. Without technical expertise, some stakeholders may not recognize what different search platforms can do or understand how they are integrated and customized to meet an organization's unique needs. They might not understand how monolithic and composable tech stacks differ and how back-end infrastructure impacts search and discovery opportunities and performance. But most importantly, implementation may pose many unnecessary challenges if technical expertise is lacking.

The evaluation process benefits from specialized knowledge and the right personnel to evaluate and implement the solutions in both technical and business aspects, including:

- Integration possibilities with the existing tech stack and the ease of that integration

- Efficient time-to-market, flexibility of the solution to adapt to market trends

- The benefits for the organization to deploy a truly headless solution

- Recognizing and quantifying the different maintenance demands of potential search and discovery solutions

UNDERSTANDING HOW DIFFERENT SEARCH AND DISCOVERY PLATFORMS CAN (OR CANNOT) LEVERAGE THE LATEST AI BREAKTHROUGHS AND WORK ALONGSIDE TOP ECOMMERCE TECHNOLOGIES

Any lack of expertise leads to additional challenges around skilled technical personnel—from hiring, to resourcing, to costs.

For a smaller proportion of organizations (18%), there's a challenge in visualizing how different solutions can help them truly differentiate from competitors in the marketplace.

DEMONSTRATING HOW SEARCH CAN ELEVATE AN ORGANIZATION'S COMPETITIVE POSITION AND THE EXTENSIVE MEASURES IT TAKES TO SECURE DATA CAN STRENGTHEN THE SOLUTION'S APPEAL TO B2B ORGANIZATIONS.

TOP 4 CHALLENGES FACED WHEN SELECTING A SOLUTION

23% Understanding the level of technical expertise and support needed

18% Understanding how solutions can differentiate your business from competitors

16% Acknowledging the need for a search and discovery solution

16% Determining how secure solutions are with handling data

The security of solutions for consumer and business data is also a concern for 16% of businesses. Data security and privacy concerns are growing for businesses around the world, but organizations operating across areas with regional fragmentation have to navigate more regulatory complexity. In the European Union (EU), the General Data Protection Regulation (GDPR) now sets out mandatory data protection and privacy rules for companies offering goods and services to EU residents. B2B businesses in EMEA regions need to ensure that any ecommerce solution they choose to implement is compliant with regulatory frameworks in the jurisdictions they serve.

DEMONSTRATING HOW SEARCH CAN ELEVATE AN ORGANIZATION'S COMPETITIVE POSITION AND THE EXTENSIVE MEASURES IT TAKES TO SECURE DATA CAN STRENGTHEN THE SOLUTION'S APPEAL TO B2B ORGANIZATIONS.

OTHER CHALLENGES

14% Process was time-consuming
13% Difficulty finding the ideal solution to address business goals
13% Establishing proper processes and gathering the correct data
12% Identifying the most cost-effective solution
12% Allocating the right resources to build out the experience
10% Ensuring solutions are user-friendly and easy to train employees
9% Assessing the ability of a solution to scale as your business grows and evolves
9% Finding a solution with the right degrees of customization and flexiblity
9% Finding a solution that would easily integrate with existing systems
8% Establishing budget for the solution
8% Influencing upper management or other internal members' sign off
6% Conflict of opinions between internal teams

Digital maturity of the organization

Technical knowledge and expertise are central to estimate the overall readiness of the organization when it comes to deploying search solutions. According to the survey, B2B organizations are ready to amplify the online experience with advanced search and discovery solutions. Eighty-eight percent of B2B organizations reported having an in-house developer team, however only 34% responded that they rely solely on in-house teams. Over half (55%) outsource some developer-related processes. The digital maturity of an organization is an important determining factor in the selection of a solution. It sets a benchmark as to how equipped an organization is to leverage advanced technology, including cloud- based solutions, big data analytics, and machine learning algorithms.

IN-HOUSE DEV TEAM

PERCENTAGE - YES

34% Yes, organization completely relies on an in-house, dedicated developer team

55% Yes, organization has an in-house, dedicated developer team, but also outsources some developer-related processes

88%
TOTAL % WHO HAVE IN-HOUSE DEVELOPER TEAM

THE MAJORITY OF MANUFACTURING AND DISTRIBUTION COMPANIES IN OUR STUDY SAMPLE HAVE EXPERIENCE WITH ADVANCED TECHNOLOGY.

Thirty-six percent use it to help employees with select processes while 29% use it to assist, optimize, or automate the majority of processes. More than a quarter of businesses claimed to have extremely high digital maturity and report using advanced technology to its fullest capacity. Only 8% of companies rely solely on in-house employee skill sets (Excel spreadsheets, etc.) to perform operations. Although more than half of companies surveyed have engaged with advanced technology to some degree, the

largest group still sits toward the lower end of the digital maturity bell curve, indicating they still have a ways to go.

B2B ORGANIZATIONS OPERATING ON THE LOWER END OF THE DIGITAL MATURITY SCALE FACE THE CHALLENGE OF THE BIGGEST LIFT.

Overall, these companies are less satisfied with their search solutions and the quality of the digital experience they're currently offering customers. They want to implement solutions that have AI capabilities, but they also identify "allocating the right resources to build out the experience" as a challenge toward finding that solution. These are

predominantly smaller companies that rely heavily on offline revenue and have a smaller proportion of customers making online purchases. Their key decision-makers tend to be in business roles.

DIGITAL MATURITY

8% Rely solely on employee skill set

36% Uses advanced technology to help with select processes

26% Uses advanced technology to help with majority of processes

29% Uses advanced technology to its fullest capabilities

EVEN FOR DIGITALLY MATURE ORGANIZATIONS, THERE'S MUCH AT STAKE IN HOW ADVANCED TECHNOLOGY CAPACITIES ARE EVOLVED.

Any breakdown in the B2B customer's purchasing process can tarnish or terminate a relationship cultivated over decades. Stakes are especially high for companies in fragmented regions, such as EMEA, with differences to account for in language, culture, currency, and units of measurement. When those activities move online—to text search, voice search, and cataloging—there are many new hurdles to jump to give each customer what they're looking for and keep transactions running smoothly.
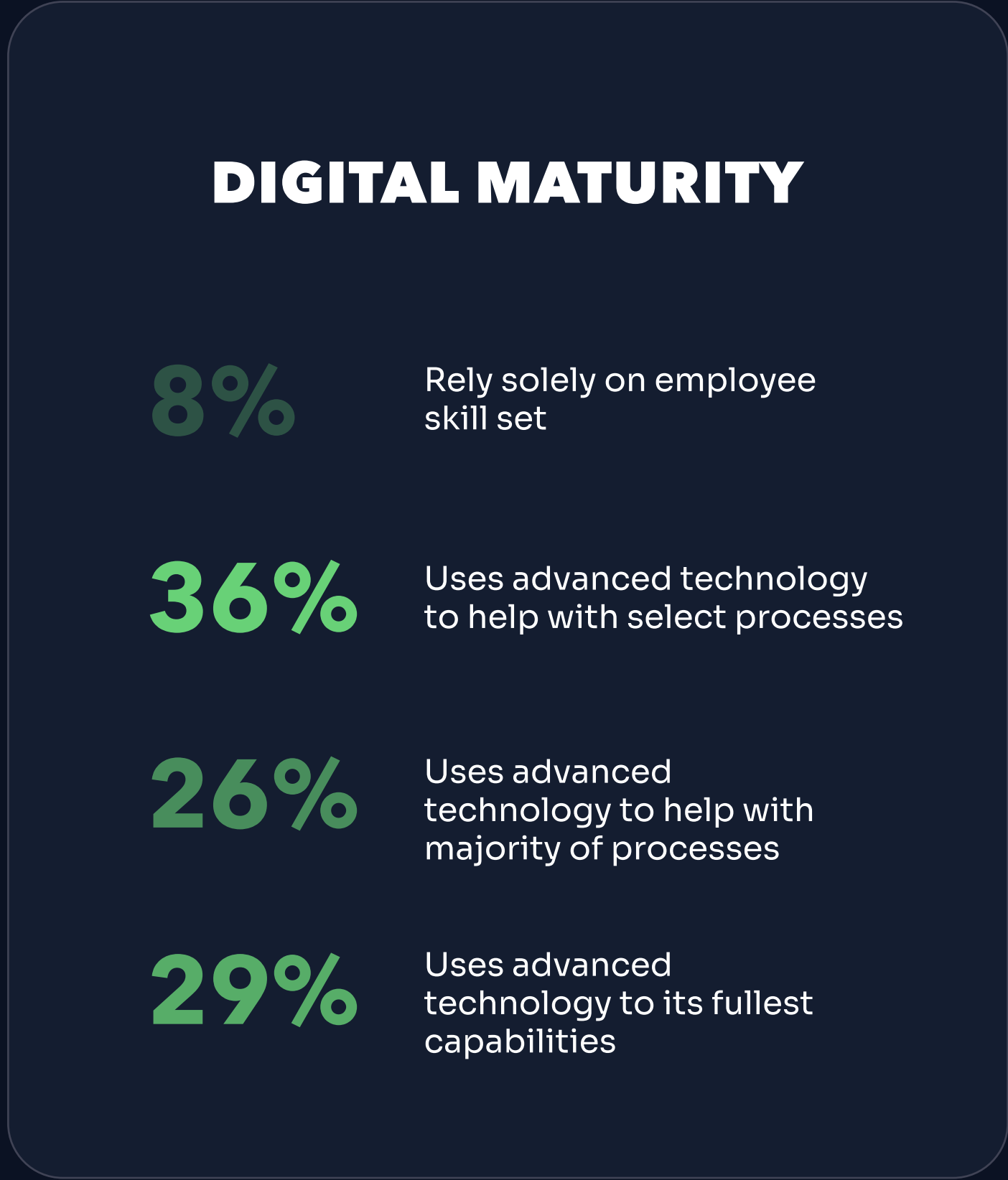
TECHNICAL STATE OF ORGANIZATION

SATISFACTION WITH DIGITAL EXPERIENCE

VERY SATISFIED
27%

SOMEWHAT SATISFIED
60%

NEITHER SATISFIED NOR DISSATISFIED
11%

SOMEWHAT DISSATISFIED
2%

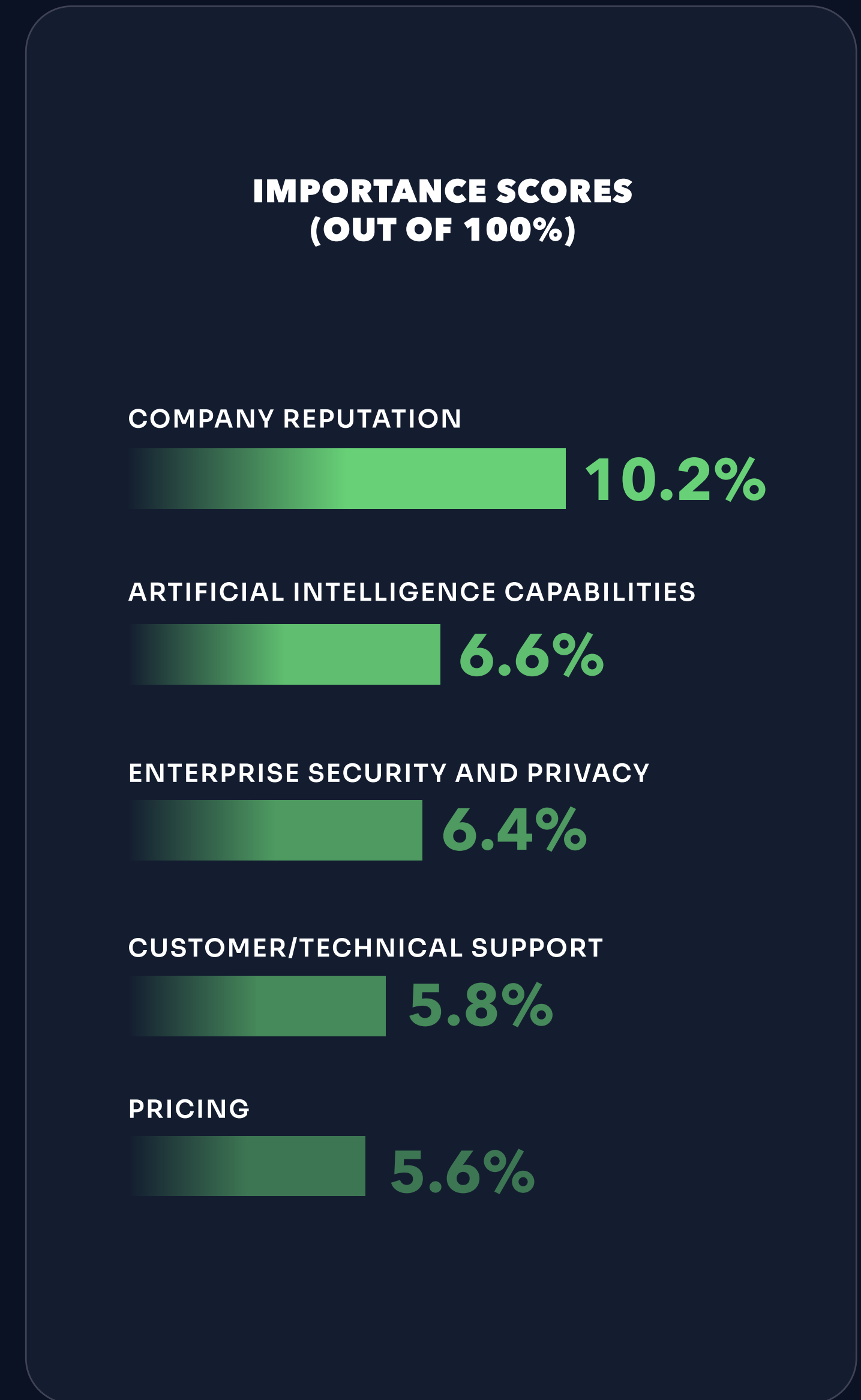VERY DISSATISFIED
0%

4.1/5
AVERAGE SATISFACTION SCORE

B2B ORGANIZATIONS ARE READY TO AMPLIFY THE ONLINE EXPERIENCE WITH ADVANCED SEARCH AND DISCOVERY SOLUTIONS.

Selection criteria for search solutions

B2B organizations survey a range of criteria as they consider and evaluate different search and discovery solutions. Among the top important criteria selected by our respondents are AI capabilities, enterprise security and privacy, customer and technical support, and pricing.

Many of the other search criteria they highlight relate directly to specific features and performance of search and discovery solutions. B2B organizations are looking to answer specific questions, such as:

- What personalization and recommendation capabilities does it have?

- How easy is it to integrate the solution with legacy platforms and other platforms used?
- How fast does the system return results? What about indexing speed?
- In terms of uptime, is the solution reliable?
- Does the solution support both keyword search and natural language search?
- What merchandising and marketing tools does it offer? Are they easy to use?
- How easy is it to configure complex catalog indices?
- Can our internal teams see how AI-powered search results are prioritized? Can we control the process?

IMPORTANCE SCORES (OUT OF 100%)

COMPANY REPUTATION
10.2%

ARTIFICIAL INTELLIGENCE CAPABILITIES
6.6%

ENTERPRISE SECURITY AND PRIVACY
6.4%

CUSTOMER/TECHNICAL SUPPORT
5.8%

PRICING
5.6%

This wide array of considerations may be a reflection of how B2B organizations differ in the types of legacy technology and systems they use. Some carry hundreds of thousands of products with individual SKU numbers, detailed specs and item descriptions, and reams of supporting documentation. Their internal teams need to work efficiently to surface these offerings to individual customers in cost-effective and profit-generating ways. Customers need to find products and information with equal ease and efficiency to benefit their business. The specific character of the organization and its customers will therefore determine how to weigh these criteria in the evaluation and selection process.

ARTIFICIAL INTELLIGENCE RECEPTIVITY

LIKELIHOOD TO SELECT SOLUTION WITH AI CAPABILITIES

86%
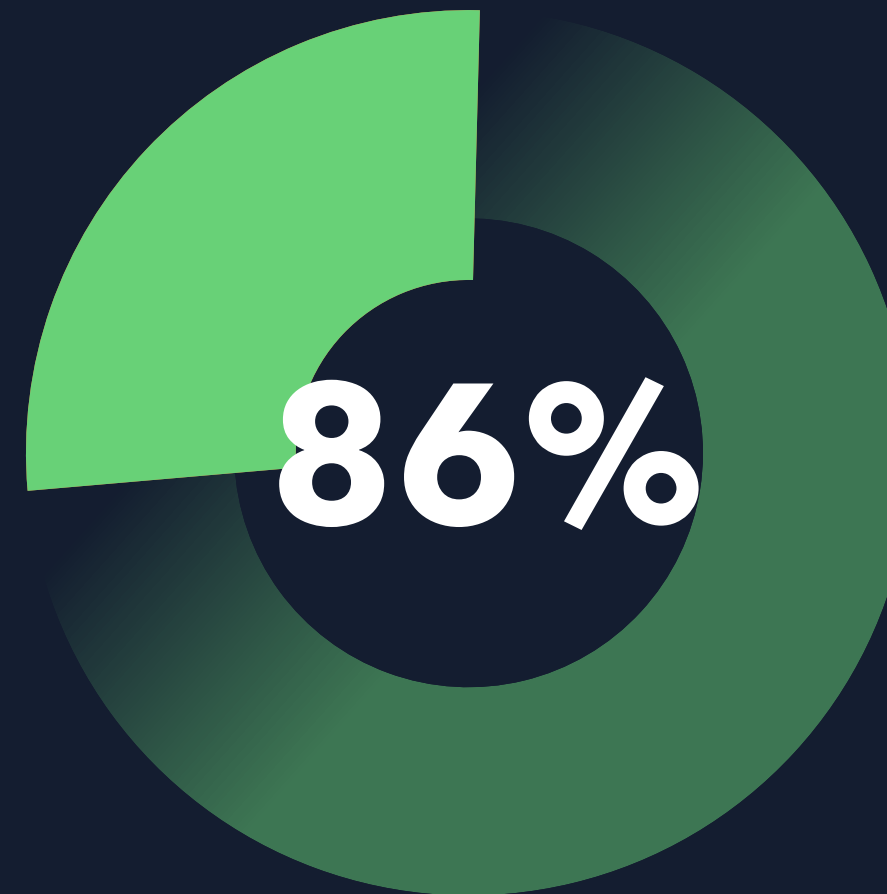
Much more/ More likely to select – Top 2 Box

TOP REASONS FOR LIKELIHOOD TO SELECT SOLUTION RATING

49%
Helps personalize customer experience

42%
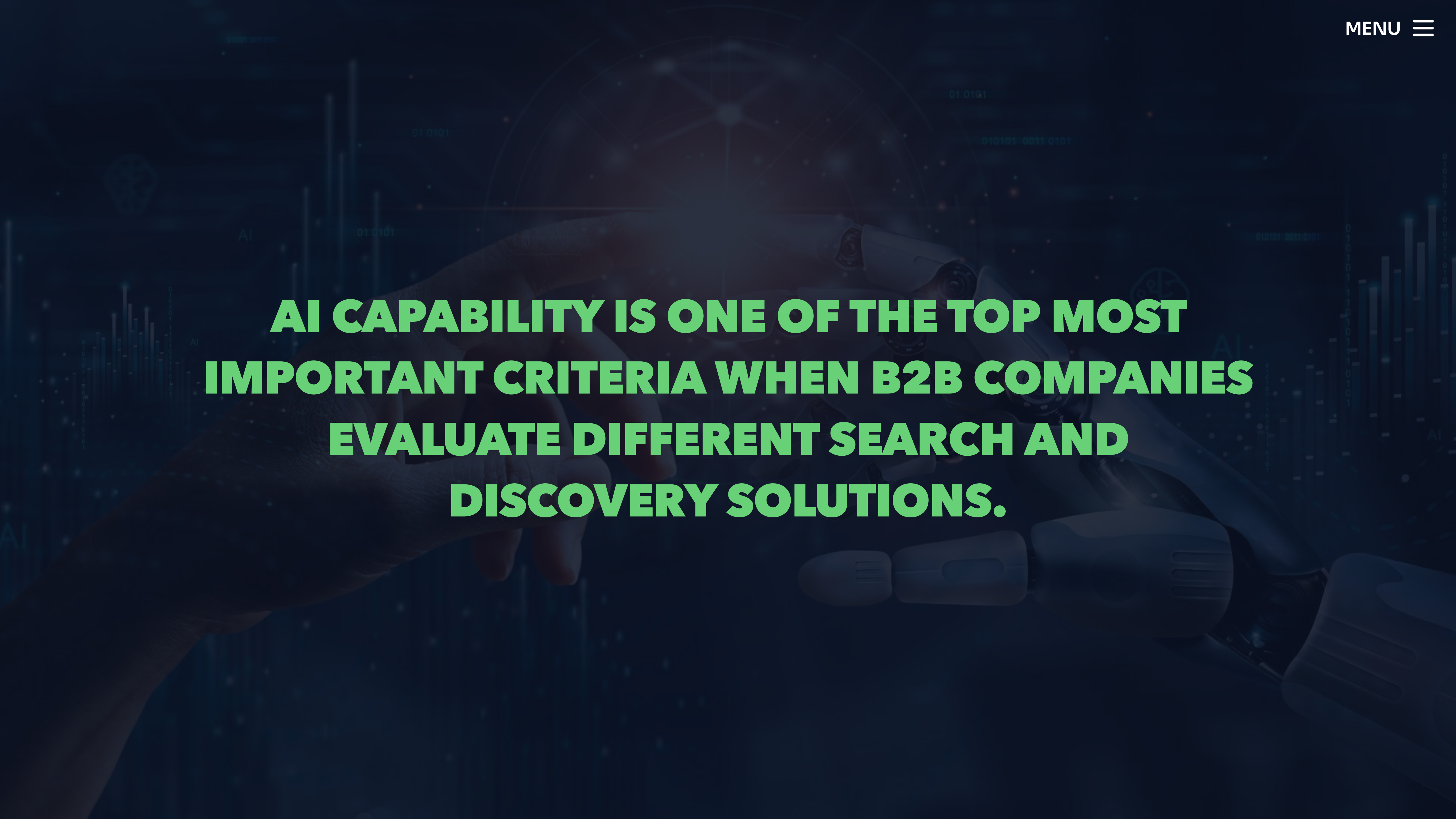Helps reduce manual labor and associated costs

38%
Improves accuracy of producing discovery results

MOST IMPORTANT CRITERIA WHEN SELECTING A SEARCH AND DISCOVERY SOLUTION

	INDEX SCORES (100 = AVERAGE)	IMPORTANCE SCORES (OUT OF 100%)
Company reputation	225	10.2%
Artificial Intelligence capabilities	145	6.6%
Enterprise security and privacy	141	6.4%
Customer / technical support	129	5.8%
Pricing	123	5.6%
Time to value	106	4.8%
Personalization	103	4.7%
Easy to integrate with legacy systems and B2B platforms / tools	101	4.6%
Unified analytics across inventory, search performance, and revenue	90	4.1%
Ease of onboarding	90	4.1%
Transparency and control into how search results are prioritized	89	3.9%
Scalable and stable platform infrastructure	86	3.8%
SLAs / uptime resiliency	84	3.8%
Product discovery tools (recommendations, navigation, etc.)	84	3.8%
Flexibility to configure complex catalog indices	83	3.8%
Merchandising marketing tools	80	3.6%
Speed of indexing and search results	79	3.6%
Search by different product attributes	78	3.5%
Keyword search	73	3.3%
Omnichannel communication nd selling	73	3.3%
Connecting to multiple data sources into a unified data model	70	3.2%
Natural language search	69	3.2%

■ Above average importance (>100)

■ Below average importance (<100)

AI CAPABILITY IS ONE OF THE TOP MOST IMPORTANT CRITERIA WHEN B2B COMPANIES EVALUATE DIFFERENT SEARCH AND DISCOVERY SOLUTIONS.

Prioritizing AI capabilities in search

AI and generative AI have shaken the world this year, and their capabilities are advancing daily. Business leaders across sectors are moving quickly to harness those benefits. While there is a general perception in some industry circles that B2B companies often lag their B2C counterparts in their readiness of AI-enabled search solutions, it was very positive to see that 86% of decision-makers in our sample rank AI as a top focus of their search solution purchase initiatives.

The capability that 49% of B2B organizations want to gain from AI is personalization. When a safety products company moves its catalog online, it pays to know who the customer is on the other end of the portal.

When a frequent customer who is a fire services procurement officer types "helmet" into a search bar, AI-powered search shows them fire helmets, not construction hardhats. Companies coming up the curve can leverage AI and advanced analytics to deeply understand customer intention and their buying patterns. Those insights are used to surface highly relevant results as well as inform marketing and business decisions.

Top reasons organizations we surveyed seek AI capabilities in a search solution include:

- leveraging AI to reduce manual labor costs (42%)

- improving the accuracy of product discovery results (38%)

- improving the accuracy of search results overall (34%)

AI provides this insight. For instance, B2B vendors can discover what top search terms are on their site. They can learn that their customers are searching for a product that's not currently offered but could be. They might learn that an available product isn't appearing in search results because customers are searching for it using different terms than the company uses for indexing.

Regional differences for choosing AI search

While enthusiasm for AI was high across all regions, North American decision-makers were slightly more likely to select AI-powered search overall than their EMEA counterparts (90% and 82%, respectively). Thirty-seven percent of North American companies gave "scalability and business growth" as a top reason for selecting AI search as compared to 24% in EMEA regions. European B2B organizations were more interested in managing costs. Nearly half (47%) gave "Helps reduce manual labor and associated costs" as a reason to choose AI search. Only 38% of North American companies ranked this rationale among their top three priorities for AI.

AI CAPABILITIES ARE HIGHLY APPEALING TO B2B ORGANIZATIONS AS THEY WOULD HELP WITH PERSONALIZATION, REDUCE LABOR COSTS, AND IMPROVE ACCURACY OF RESULTS.

IMPACT OF AI CAPABILITIES ON SELECTION

MUCH MORE LIKELY TO SELECT THAT SOLUTION	MORE LIKELY TO SELECT THAT SOLUTION	NEITHER MORE LIKELY NOR LESS LIKELY TO SELECT THAT SOLUTION	LESS LIKELY TO SELECT THAT SOLUTION	MUCH LESS LIKELY TO SELECT THAT SOLUTION
47%	39%	9%	4%	1%

REASONS - LIKELY TO SELECT/PURCHASE SEARCH DISCOVERY SOLUTION THAT OFFERS AI CAPABILITIES

49% Helps personalize customer experience

42% Helps reduce manual labor and associated costs

38% Improves accuracy of product discovery results

34% Improves accuracy of search results

30% Is scalable and supports business growth

28% Automates or streamlines internal operations

25% Provides better data analysis

22% Provides your organization with a competitive edge

21% Is future-proof and will enhance digitization at your organization

A vast minority of B2B decision-makers—only 5%—are less likely (4%) or much less likely (1%) to opt for an AI-powered search platform. These leaders express some common uncertainties and doubts about the technology.

Asked to choose their top three reasons for not selecting a search solution with AI, the results are varied. One third (33%) cite a limited need in their enterprises for such an advanced solution. A similar proportion (34%) feel that dependency on AI reduces human judgment and intuition.

Another 34% point to a lack of transparency as to how decisions are made by AI search platforms. Because AI runs massive amounts of data through neural networks, the

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47%	39%	9%	4%	1%

REASONS - UNLIKELY TO SELECT/PURCHASE SEARCH DISCOVERY SOLUTION THAT OFFERS AI CAPABILITIES

34%	Dependency on AI solutions may lead to a lack of human judgement and intuition
34%	Lack of transparency in the decision-making process
32%	Limited need for such an advanced solution
29%	Security and privacy concerns
26%	May not integrate well with other tools
26%	May negatively impact existing customer relationships
26%	May require more technical expertise and resources than your organization has
26%	Limited understanding of the technology and its benefits
26%	May be more expensive than other solutions
13%	Potential bias and inaccuracy in results
3%	Can restrict customization and flexibility

processing of interim decisions that ultimately inform end results are black-boxed—not only from end users, but from data analysts themselves.

Given the realities of B2B commerce, these concerns may be especially valid for this small minority. For some companies, sales cycles are long, deals are fewer and larger, and customer privacy is often held to a higher standard. In these cases, the advantages of AI may not be very crystallized to the immediate business case nor appear as relevant from a ROI perspective.

Evaluating success and choosing a solution

FINALLY, B2B ORGANIZATIONS THAT PROCEED TO THE EVALUATION STAGE USE A RANGE OF PRIMARY PERFORMANCE METRICS TO SEE HOW THEIR CHOSEN SEARCH AND DISCOVERY SOLUTION SUPPORTS THEIR ECOMMERCE STRATEGY.

Respondents were asked to choose the top three KPIs used to measure ecommerce success. The top KPIs were Customer Acquisition Costs (32%), Click-Through Rates (CTR) (32%), and Sales Conversion

Rates (32%), followed closely by Customer Lifetime Value (LTV) (29%). Responses clearly show B2B organizations are keen to shift customers online and move more products by giving them a better experience. Doing it well keeps customers engaged and spending and keeps acquisition costs and marketing spend in check.

KPIs USED TO MEASURE SUCCESS OF ECOMMERCE STRATEGY

TOP KPIs

32% Customer Acquisition Costs

32% Click-Through Rate

31% Sales Conversion Rate

OTHER KPIs

29%
Customer lifetime value

28%
Average time spent on site

27%
Average order value

24%
Reorder rate

22%
Bounce rate

20%
Turnaround time for processing orders

17%
Net promoter score

17%
Shopping cart abandonment rate

12%
Pages per session

B2B commerce is in a transitional period away from in-person sales, and success measures need to account for that. To some extent, top KPIs will measure how well a new or upgraded website stands in for a traditional salesperson or sales process. An easy over-the-phone sale, for instance, might translate to a low bounce rate or shopping cart abandonment rate online. Before selecting a search and discovery platform, company leadership will need to consider how best those tools help meet KPIs at three key stages of the ecommerce experience:

1 - TRANSACTIONAL PHASE: MAKING THINGS EASY FOR CUSTOMERS WITH A FAST CHECKOUT EXPERIENCE AND MINIMAL INTERACTION

2 - INFORMATIVE PHASE: PROVIDING RESOURCES TO HELP GUIDE CUSTOMER PURCHASING DECISIONS, SUCH AS PRODUCT INFORMATION, SPEC SHEETS, AND GEO-SPECIFIC INVENTORY AVAILABILITY

3 - CONSULTATIVE PHASE: FULFILLING THE ADVISORY ROLE OF A SALES PERSON BY PROVIDING IN-DEPTH GUIDANCE, SUCH AS PRODUCT FINDERS AND CONFIGURATORS

When do B2B organizations expect to see value from search

Most B2B businesses expect fast action from new search and discovery solutions with demonstrated value within six months. Fifty-two percent expect KPIs to shift between 4 and 6 months. A smaller group (39%) would like to see higher click-through rates, lower bounce rates, and more conversions sooner, between 1 and 3 months.

When B2B organizations shape their expectations at this stage of the buyer journey, it's useful to distinguish "ecommerce success" from "ecommerce success with a search solution." The two are increasingly bound up with time to market considerations and ROI for solutions purchased in addition to those KPIs. B2B

organizations need to weigh factors such as how long it takes to implement a search and discovery solution, what the ROI is for similarly sized companies, and how fast that ROI can be achieved.

The responses suggest that most B2B leaders almost unanimously expect search to be a key growth driver that can provide meaningful uplift to business LTV and ROI within a single calendar year or sooner.

MOST EXPECT TO SEE VALUE FROM A SEARCH AND DISCOVERY SOLUTION IN THE FIRST 6 MONTHS

0 TO LESS THAN 1 MONTH
3%

1 TO 3 MONTHS
39%

4 TO 6 MONTHS
52%

7 TO 12 MONTHS
6%

MORE THAN 12 MONTHS
<1%

STATE OF DIGITAL AI READINESS

Embracing the AI-wave in B2B ecommerce: readiness, preparation, and customer expectations

As we step into 2024, the B2B ecommerce landscape is delving further into what is shaping up to be a transformative era, driven by rapid advancements in AI and ML-led technologies. The readiness of companies in this space to embrace the AI wave is varied, reflecting a spectrum of digital maturity. However, one thing is clear: the adoption of AI is no longer a futuristic vision but a present-day imperative. Below, Algolia search experts provide guidance on how to get started on your journey to provide an AI-enabled performant search experience.

ASSESSING READINESS FOR AI INTEGRATION

The readiness of companies for AI-powered technology is a complex matrix of infrastructure, mindset, and skill set. A significant portion of the B2B ecommerce sector is making strides, with investments in digital infrastructure and a growing openness to innovation. However, there remains a gap between the early adopters and the majority who are cautiously optimistic but still navigating the basics of digital transformation.

To gauge readiness, companies must assess their current technological infrastructure, data management capabilities, and the AI-readiness of their workforce.

PREPARING FOR THE AI INFRASTRUCTURE UPGRADE

Companies need to invest in robust ecommerce platforms that are AI-compatible. This includes scalable cloud solutions, advanced data analytics tools, and cybersecurity measures.

DATA STRATEGY DEVELOPMENT

Central to AI integration is a comprehensive data strategy. Companies must ensure data is not only clean and well-organized but also compliant with privacy regulations.

SKILLS AND MINDSET SHIFT

Cultivating an AI-ready culture is essential. This involves training employees to work alongside AI tools. Additionally, fostering a mindset that embraces continuous learning and adaptation is crucial.

PARTNERING WITH AI EXPERTS

For many B2B companies, developing in-house AI solutions may not be feasible. Partnering with AI solutions like Algolia can offer access to cutting-edge technology and expertise.

UNDERSTANDING CUSTOMER EXPECTATIONS

Customer expectations in B2B ecommerce are evolving rapidly, influenced by B2C experiences. Today's customers expect personalized, efficient, and seamless online experiences. They are increasingly comfortable with AI-driven recommendations, chatbots, and automated services, expecting these technologies to be integrated into their B2B buying journey.

This shift in expectations serves as a barometer for companies' readiness and positioning. Companies that align their digital strategies with these expectations are more likely to gain a competitive edge, improve customer satisfaction, and drive sales.

IMPACT OF AI DEVELOPMENTS ON B2B ECOMMERCE PERSONALIZATION AT SCALE

AI enables hyper-personalized experiences, tailored to individual business needs and preferences, at a scale previously unattainable.

EFFICIENCY AND AUTOMATION

From automated customer service to AI-driven inventory management, these technologies are streamlining operations, reducing costs, and improving accuracy.

IMPROVED ACCURACY IN PRODUCT DISCOVERY

By understanding complex search queries and learning from user interactions, AI algorithms can deliver more relevant and precise search results, leading to a more seamless B2B buying experience.

DATA-DRIVEN DECISION MAKING

Enhanced data analytics capabilities are enabling more informed decision-making, from product development to market strategies.

ENHANCED CUSTOMER INSIGHTS

AI's ability to analyze vast amounts of data provides deeper insights into customer behavior, preferences, and trends.

As B2B ecommerce ventures forward, the integration of AI and technology is not just an option but a necessity. The journey toward AI readiness involves a holistic approach encompassing technology, people, and processes, with a keen eye on evolving customer expectations. In this journey, partnerships with AI experts like Algolia can provide the necessary momentum and direction.

THE ADOPTION OF AI IS NO LONGER A FUTURISTIC VISION BUT A PRESENT-DAY IMPERATIVE.

THE SEARCH SOLUTION DECISION-MAKER'S CHECKLIST

Feeling good about jump-starting your AI search discovery process? Algolia experts break down the actionable steps for B2B organizations to fast-track their search adoption process.

Whatever your stage of business, our checklist of essential guidelines applies—whether you're looking to purchase a new search solution, upgrade an existing one, or move to a new provider.

1 IDENTIFY YOUR BUSINESS GOALS

For most B2B organizations, that involves shifting sales online, reducing costs, and scaling profitability.

2 IDENTIFY YOUR KEY STAKEHOLDER GROUPS

Senior business and IT leadership will have a key role in most cases, but influencers might also be from marketing, customer experience, product, and other areas.

3 CONDUCT A NEEDS ASSESSMENT

Work with all stakeholders to identify what critical requirements are needed for the solution to be performant for your business (Is there a tech stack that the solution must integrate with? What's the cost of shifting from the previous solution? What's the availability and bandwidth of in-house dev talent? What's the opportunity cost as well as time to market?)

4 PULL IN THE RIGHT PEOPLE AT THE RIGHT STAGES

Get senior business and technical leadership on board to initiate and validate the process.

5 DO YOUR RESEARCH

Keep tabs on influential sources including blogs and solution provider websites.

6 CIRCULATE THAT RESEARCH

with key stakeholders to educate them about selection criteria and to set priorities. Keep top influencers in the loop to build momentum and gain support.

7 BRING TOGETHER STAKEHOLDERS

to determine how your organization will use search and what your organizational goals are.

8 WEIGH THOSE AIMS

against the digital maturity and technical capabilities of your organization. Identify search and discovery solutions that fill technical gaps and support digital acceleration.

9 LEARN WHAT ROBUST AI CAPABILITIES CAN DO

for your organization to meet your goals, such as personalized search, improved search relevance and accuracy, and reduced manual labor.

10 CONSIDER THE BENEFITS OF A MODULAR APPROACH

built on a composable (headless) structure, one that enables organizations to explore best-of-breed solutions without dismantling other systems or impacting high-stakes relationships.

11 IDENTIFY THE KPIS YOU'LL USE TO MEASURE SUCCESS

Develop markers of success for transactional, informative, and consultative stages. Pin down your expectations regarding time to value.

DEFINING USE CASES HELPS B2B ORGANIZATIONS FOCUS ON SPECIFIC CHALLENGES AND OPPORTUNITIES TO ADDRESS AND IMPROVE THROUGH SEARCH.

12 GATHER KEY STAKEHOLDERS TO EVALUATE SUITABLE TOOLS

Make a final selection with the approval of a team or senior decision-maker.

ABOUT
ALGOLIA

Algolia is the world's only end-to-end AI search and discovery platform. Our engineers invented a breakthrough use of AI to create exponentially better search & discovery. Algolia's proprietary NeuralSearch tech combines vector-based natural language processing & keyword matching in a single API.

Algolia powers 1.75 trillion search requests a year or more than 30 billion a week enabling more than 17,000 customers in 150+ countries to build blazing-fast and relevant search and discovery experiences for their in-app users and/or online visitors using any web, mobile or voice device – by surfacing the desired content instantly and at scale.