



A TreviPay eBook

Improving the B2B Customer Experience with the 5th P of Marketing



Table of Contents

SECTION 1	Introduction: What is the 5th P of Marketing?	3
SECTION 2	What B2B Companies Can Learn From B2C Payments	5
SECTION 3	Why B2B Companies Require a Credit Card Alternative	6
SECTION 4	Challenges of Incorporating the 5th P and How to Overcome Them	8
SECTION 5	The Benefits of A/R Automation, How to Build a Global Network of Buyers & Sellers	9
SECTION 6	Case Study: How LenovoPRO Grows Sales, Thanks to TreviPay and Digital River	10
SECTION 7	Summary: Benefits of the 5th P for B2B Merchants	11



INTRODUCTION

What is the 5th P of marketing and what role does it play?

Since 1960, when E. Jerome McCarthy proposed the 4 Ps—product, price, place and promotion—in his book *Basic Marketing: A Managerial Approach*, they've been a staple of business planning.¹ Popularized by Philip Kotler, the father of modern marketing, the 4 Ps are still relevant today.

But there have been big changes in the cultural landscape since 1960, culminating with the digital explosion during the pandemic. And that's why the 5th P—Payments—has proven to be an essential part of the marketing mix in 2022. Strategic planning around making customer journey improvements now extends all the way through the payment journey, too, because buyers want to seamlessly transact on their terms, with their preferred payment methods.

There are so many more ways to interact with brands, especially online, and thanks to their experiences with B2C companies, people have leveled up their buying expectations.

In fact, Digital Commerce 360 reports that 51% of business buyers are attracted to B2B sites with an excellent B2C-like user experience.²

That's why now is the time for B2B businesses to modernize their payments. After all, B2B buyers are traditional consumers at their core and have increased expectations when it comes to transacting with the brands they prefer and trust. The risk of ignoring the 5th P as a core part of the B2B customer journey is huge.

¹ E. Jerome McCarthy, Wikipedia, Mar. 27, 2022: https://en.wikipedia.org/wiki/E._Jerome_McCarthy

² 2022 U.S. B2B Ecommerce Market Report, DigitalCommerce360, 2022: <https://www.digitalcommerce360.com/product/b2b-e-commerce-market-report/>

How fast is B2B eCommerce growing, really?

The rapid expansion of global B2B eCommerce has made competition for customers fierce and the quest to make them sticky even greater. These days, the focus on digitization is dominating the conversation about how to increase revenue.

According to McKinsey & Company, about 65% of B2B companies across industries are fully transacting online and for the first time, they're more likely to offer eCommerce over in-person sales.³

It's true that B2B eCommerce is flourishing, and promises to keep booming. Digital Commerce 360 reports that 2021 B2B eCommerce grew 1.17 times faster than the growth of all US manufacturing and distributor sales.⁴ With a CAGR forecast to be 19.7% from 2022 to 2030, the global market data reveals that B2B companies are experiencing unprecedented growth—with a market expected to reach US \$33.3 trillion by 2030.⁵



65% of B2B companies across industries are fully transacting online and for the first time, they're more likely to offer eCommerce over in-person sales.³



³ Bangia, Manu; Harrison, Liz; Plotkin, Candace Lun; Piwonski, Kate. Busting the five biggest B2B e-commerce myths, McKinsey & Company, Jan. 26, 2022: <https://www.mckinsey.com/business-functions/growth-marketing-and-sales/our-insights/busting-the-five-biggest-b2b-e-commerce-myths>

⁴ 2022 U.S. B2B Ecommerce Market Report, DigitalCommerce360, 2022: <https://www.digitalcommerce360.com/product/b2b-e-commerce-market-report/>

⁵ Business-to-Business E-commerce Market Size, Share & Trends Analysis Report By Deployment Type (Intermediary-oriented, Supplier-oriented), By Application, By Region, And Segment Forecasts, 2022 - 2030, Grand View Research: <https://www.grandviewresearch.com/industry-analysis/business-to-business-b2b-e-commerce-market>

SECTION 2

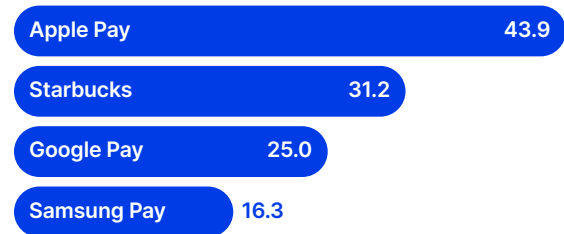
What can B2B companies learn from B2C payments?

B2C companies have already invested a ton of effort to determine what shoppers prefer, and the answer is simple: fast, convenient ways to pay their way during a seamless, omnichannel experience. As such, B2C merchants have a more established 5th P-based customer journey in place already.

Take Starbucks, for example, which celebrates the power of customer preferences with their 87,000-or-so drink combinations. Similarly, they offer plenty of B2C payment methods, including cash, Apple Pay, credit cards, debit cards, Google Pay, Samsung Pay, PayPal, Starbucks cards—plus their very popular app. In fact, Starbucks' mobile payment app, launched in 2009, has synched with their customers' payment journey: the Starbucks app has had the most mobile payment users in the United States until recently. Apple recently surpassed Starbucks with 43.9 million mobile payment users, but Starbucks still comes in a strong second with 31.2 million loyal app customers who love the omnichannel payment method.⁶

Starbucks has used its innovative payment capabilities to grow customer loyalty, successfully influencing marketing results without changing the product, price, place or promotion mix. Add in the fact that business buyers are coffee consumers too, and it's easy to see how profoundly they've been influenced by Starbucks.

US Proximity Mobile Payment Users, by Platform 2021 (millions)



Note: ages 14+; mobile phone users who have made at least one proximity mobile payment transaction in the past 6 months; includes point-of-sale transactions made by using mobile phones as a payment method; excludes transactions made via tablet. Source: eMarketer, March 2021



⁶ McKinnon, Tricia. How Starbucks is Using Mobile Apps to Significantly Increase Sales, Indigo Digital, Jun. 10, 2021: <https://www.indigo9digital.com/blog/starbucksmobileapps>

SECTION 3

In B2B, credit cards are used frequently but reluctantly

In digital B2B transactions, credit cards are the typical default payment method, thanks to the seller's existing merchant services. But credit card purchasing isn't always the right vehicle for B2B purchases. These days, 9 out of 10 B2B buyers research the payment options before purchasing from a new vendor.⁷ They're much savvier about how they expect to pay, thanks to their lives as consumers.

Although more than half of B2B buyers use credit cards to make online purchases, data suggests they aren't completely happy—50% actually prefer to pay with methods other than credit cards when given the option.⁷ That's why sellers that only accept credit card purchases may lose out to competitors that offer more desirable payment alternatives.

Now is the time for B2B businesses to modernize their payment options and go beyond credit cards. But building out a payments strategy for the complexities of B2B purchases means investing in a robust platform. It requires a sleek, sophisticated trade credit offering, along with net terms invoicing across all channels. The investment can pay off, though, because 15% of B2B buyers spend more when offered trade credit. Even more importantly, 82% would choose one vendor over others if that vendor offered invoicing at checkout with 30-, 60- or 90-day terms.⁷

B2B payments require more than a simple B2C-like payment acceptance method

The behind-the-scenes plumbing is complicated for B2B payments, with invoicing options, payment terms and all the required data so procure-to-pay and enterprise resource planning platforms can easily ingest the invoices. This complexity is complicated by urgency: today's B2B buyers want their preferred terms, and they want them to be offered on the spot.

According to *Forrester Tech Tide 2022*, B2B payment augmentation is increasingly critical to firms' ability to win, serve and retain business customers.⁸ Offering trade credit and net terms invoicing, automatic onboarding, instant decisioning and digitizing A/R are all needed to make the B2B experience feel as easy as a B2C eCommerce transaction for the B2B buyer. Fast decisioning qualifies and secures more buyers with the right payment terms and the right credit lines, ultimately growing a loyal buyer network.

A successful 5th P strategy for B2B includes:

- B2C-like payment acceptance methods
- Digital and mobile purchasing options
- Payments, invoicing and billing in one centralized location
- Invoicing, account reconciliation and overdue reminders
- Risk management and sophisticated fraud detection
- More working capital for buyers
- Integrations with a myriad of technology vendors

⁷ B2B Buyers Report: Why More Payment Options Mean More Purchases, TreviPay, Apr. 17, 2020: <https://www.trevipay.com/resource-center/reports-whitepapers/b2b-buyers-want-net30-terms-at-online-checkout/>
⁸ Liu, Meng; Morgan, Jacob. The Forrester Tech Tide™: B2B Payment Augmentation, Q1 2022, Forrester, Mar. 23, 2022: <https://www.forrester.com/report/the-forrester-tech-tide-tm-b2b-payment-augmentation-q1-2022/RES177215>

Get buy-in by staying customer-centric

A new payments solution touches almost every department in one way or another. If the emphasis is placed solely on the finance team's benefits, progress can drop off when dependencies include multiple business units. Instead, leadership must focus on customer-centric benefits that everyone can appreciate. These benefits include offering buyers consistent, quality service and support throughout their entire customer journey, creating a virtuous cycle of repeat purchases.

A quick analysis can help determine how much sales could increase with a digital B2B payments strategy. By segmenting current customers with commercial credit card BINs, it's possible to target and convert them to trade credit, a better payment method that's much stickier than a credit card on file. Current corporate credit card users are likely to buy more when they have expanded financial flexibility via trade credit and net terms invoicing.

Many businesses invest a significant amount of time and energy in improving their buyer journey, but come to a screeching halt at payments. The truly customer-centric road continues all the way through the 5th P, and previously siloed teams must collaborate to bring a digital payments and invoicing transformation to life.



By segmenting current customers with commercial credit card BINs, **it's possible to target and convert them to trade credit**, a better payment method that's much stickier than a credit card on file.



SECTION 4

Challenges of trying to incorporate the 5th P

Focusing on the 5th P will take effort but the upside is substantial. And you can be sure your competitors are doing everything they can to create competitive advantages. The C-Suite needs to lead the charge, empowering smaller cross-functional teams to muscle through the evolution into a truly digital company.

The leadership team must also anticipate and overcome many barriers, including these top three hurdles:

- 1 Inflexible legacy systems
- 2 Dozens of manual steps required for approving and onboarding new customers
- 3 Fear of risk and fraud with unknown online buyers

How can these challenges be overcome?

There are a number of ways to add better payments to the company roadmap. An in-house solution is probably the longest path, due to competing IT priorities and other resource stumbling blocks. It's hard to get enterprise-wide changes made, even when the benefits are clear. Instead, the fast-track option is to outsource to a partner that offers proven technology and access to an extensive payments and invoicing network. A fully managed, third-party solution can circumvent the most common challenges and risks of DIY.

For example, APIs can integrate new technology into legacy systems with existing P2P and ERP platforms. In fact, this outsourcing option has become the preferred choice for companies that need to scale quickly and pivot painlessly. According to *Forrester Tech Tide 2022*, companies can now enable embedded and seamless B2B financing for businesses without restrictions or constraints, thanks to richer transactional data from flourishing B2B eCommerce and the use of AI technologies.⁸

When it comes to B2B payments and invoicing solutions, Robotic Process Automation (RPA) is the new underpinning of all the best AI software out there. With RPA, decision-makers have a 360-degree view of aggregated, omnichannel customer data that can identify key junctures along the buyer journey. It's a data-driven competitive advantage that can maximize reselling and upselling opportunities.

Last but not least, a complete business ecosystem is going to include a myriad of technology vendors that provide software licensing, SaaS platforms, apps and more. Often procured department-by-department, these solutions also need to be plugged into the new digital system. Fortunately, most fully managed payments and invoicing providers can handle this heavy lifting so internal IT teams don't have to.



According to *Forrester Tech Tide 2022*, companies can now enable **embedded and seamless B2B financing for businesses** without restrictions or constraints.⁸

⁸ Liu, Meng; Morgan, Jacob. The Forrester Tech Tide™: B2B Payment Augmentation, Q1 2022, Forrester, Mar. 23, 2022: <https://www.forrester.com/report/the-forrester-tech-tide-tm-b2b-payment-augmentation-q1-2022/RES177215>

SECTION 5

Save money (and grow customer LTV) with A/R automation

Ninety-six percent of CFOs recently surveyed by PYMNTS say they are digitizing A/P and A/R processes to benefit customers and vendors.⁹ Other digitization benefits cited from the survey included automating a manual process, as well as providing a more efficient and more transparent process to build customer Life Time Value (LTV).

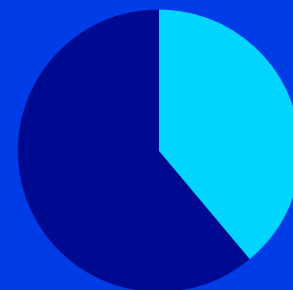
Saving money is the direct result of saving time by eliminating hours of repetitive manual tasks (and the inevitable errors); the need to email forms; days-long waits for credit decisions; and human time spent on procedures like creating PDF invoices or manual bank reconciliations. In fact, since the pandemic began, PYMNTS data shows that 39% of companies have moved from manual to digital processes for their B2B payments.¹⁰

Best of all, these companies are also enjoying higher approval rates, lower operational costs, higher conversions and larger cart sizes. By proactively reducing the manual processes associated with onboarding, invoicing, reconciliation and disputes and collections, it's possible to enjoy long-term cost savings that can offset the initial investment.

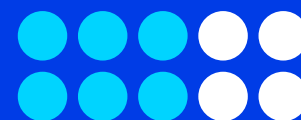
Grow sales without fear of fraud

As more customers are acquired online, business large and small need to find new ways to enhance the trusted relationship with buyers. 60% of payments decision-makers say that increased fraud prevention is among their most urgent customer concerns.¹¹ The trick is to balance caution with confidence because inefficient or ineffective prevention measures can decline valid customers, losing valuable sales opportunities that will never return.

Powered by data and AI, today's sophisticated fraud detection processes are more accurate at risk decisioning. As a built-in feature of a B2B payments and invoicing network, these fraud services should boast a high rate of approvals, low rate of false declines, the absorption of fraud risk and rich data that identifies when to accelerate or pump the brakes. Honestly, it's one of the most valuable aspects of working with a B2B payments and invoicing partner.



39% of companies have moved from manual to digital processes for their B2B payments.¹⁰



60% of payments decision-makers say that increased fraud prevention is among their most urgent customer concerns.¹¹

⁹ Spear, Brandon. Four Areas To Address To Meet Digital B2B Commerce Expectations, Total Finance, Apr. 12, 2022: <https://totalfinance.ca/four-areas-to-address-to-meet-digital-b2b-commerce-expectations-2/>

¹⁰ An Order-To-Cash Overhaul Is Coming For B2B Payments, PYMNTS, Dec. 20, 2020: <https://www.pymnts.com/news/b2b-payments/2020/an-order-to-cash-overhaul-is-coming-for-b2b-payments/>

¹¹ Spear, Brandon. Mitigating Digital Fraud Risk to Drive B2B Business Growth, PYMNTS, Apr. 11, 2022 <https://www.pymnts.com/opinion/2022/mitigating-digital-fraud-risk-to-drive-b2b-business-growth/>

Build a global network of buyers & sellers

In much the same way PayPal developed a network on the periphery of the Visa® and Mastercard® world, TreviPay has created a parallel payments network specifically designed for B2B payments and invoicing. Creating the same “network effect” in B2B commerce will optimize trade and loyalty, leading to repeat sales, quicker conversions and growth in AOV.

Payments are a powerful way to create or tap into a trusted buyer-seller network that features strong connections, exclusive payment and invoicing terms, enhanced efficiencies, reduced costs and expanded recurring opportunities. Meeting invoice requirements, offering net terms and agreeing upon spending controls means trade flows freely without costly friction in either A/R or A/P departments.

Whether a company is looking to build a network of loyal one-to-one trading relationships or join a global network of buyers and sellers, a strong network is always good for business. Connecting with an existing global B2B payments network provides the ability to offer trade credit to pre-vetted business buyers, creating more profitable and loyal customers.



SECTION 6

LenovoPRO grows sales, thanks to TreviPay and Digital River

To scale their international B2B sales, Lenovo wanted to provide buyers with a streamlined, consumer-like purchasing experience. With Digital River as their partner, Lenovo launched TreviPay, a world-class, scalable, branded online payment program that offers buyers the ability to pay by purchase order (PO) with trade credit at checkout on their LenovoPRO B2B online stores in 14 countries. As a result, LenovoPRO now cultivates stronger buyer loyalty and has successfully scaled their global B2B programs—all while freeing up cashflow.

Here are highlights of their results:

- Lenovo increased AOV by 114% at the LenovoPRO B2B online stores.
- Offering TreviPay as a payment option resulted in AOVs that were 4.5 times greater than other Lenovo online orders.
- TreviPay represents a 12% payment share, a 100% increase from the previous month, and 16% of Lenovo's total online revenue.

Benefits of the 5th P for B2B merchants

Payments is a powerful P for B2B, and implementing an end-to-end payments strategy has become a must-do, not just a nice-to-have. The benefits can add up to measurable success, including:

- Improved conversion rates
- Increased AOV or basket size
- Repeat purchases and increased volumes thanks to accessible finance that helps buyers' businesses become more successful
- Increased customer LTV with loyalty driven by a great payment experience
- Access to a trusted network of buyers and sellers

Predicting long-term needs is harder than ever

Forecasting and re-forecasting are part of running a business, but the past few years have proven that it's impossible to predict the future. Will you be adding a subscription service that requires recurring payments? Do you plan on having field employees that can accept payments on the road? Will you be unveiling a product at a tradeshow that you'd also like to sell on-site? The first four Ps—price, product, promotion and place— may change in ways you can't imagine today.

That's why you need a reliable 5th P partner—a B2B invoicing and payments network provider—that can scale and shift to fit the future needs of your organization. **That's why you need TreviPay.**

About TreviPay

TreviPay is the global B2B payments and invoicing network built to optimize trade between buyers and sellers. With more than four decades of experience building networks, TreviPay is the preferred B2B payment method of corporate buyers and sellers globally, processing \$6 billion in transaction volume across 32 countries, 19 currencies and 90,000 active buyers.

TreviPay gives clients the power to offer trade credit, and is trusted by major brands – with 80,000 selling locations – to deliver invoices with net terms and guaranteed payment across all sales and distribution channels. TreviPay has created the only fully managed payment and invoicing network to support B2B commerce of the future.

Learn more at TreviPay.com

