The markets are open for business

Amazon Business, eBay and other B2B e-marketplaces deliver more ways to buy and sell online

+ John Deere plows further into an e-commerce
+ A craft beer brewer finds growth on the web
+ Revenue surges at pharmacy marketplace Trxade

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Opening the gates to B2B marketplaces

Adapting tools developed for consumer marketplaces for the unique volume and billing requirements of industrial buyers, Amazon, eBay and other online portals are developing new markets. But buyers and sellers on these marketplaces must learn how to use them effectively.

BY PHIL BURGERT

A DECADE AND A HALF AFTER BUSINESS-TO-BUSINESS E-MARKETPLACES WERE FIRST PROPOSED WITH CLOSED BUSINESS MODELS AVAILABLE ONLY TO A LIMITED NUMBER OF PARTICIPANTS, A SWITCH TO MORE OPEN B2B PORTALS IS BREATHING NEW LIFE INTO THE CONCEPT.

Drawing on the features of their consumer marketplaces and adding features tailored to business, B2B marketplaces like Amazon Business and eBay Business & Industrial are increasingly spreading their wings.

“I think now the comfort level with enterprise-level shoppers is such that it’s become mainstream,” says Mason Fuller, who started Atlas Resell Management to sell used and refurbished business equipment on eBay.com when he left college 12 years ago, and has since focused his business on buying and selling dental equipment.

“It’s been a great partnership over the years,” he says. More buyers than in the past are going to eBay to find
Fuller’s Atlas Resell Management now carries 1,500 to 1,600 pieces of used and refurbished dental equipment on its eBay store. After acquiring used dental office equipment from sources throughout the United States, Atlas refurbishes that equipment with a team of five technicians. About 20% of his company’s sales are international.

The advantages of selling on e-marketplaces “are just the scalability of communication and marketing power,” Fuller says. “It’s the searchability of it. We sell such a niche product, and we need a very, very wide audience. But to that audience that is interested in what we provide, it’s revolutionary for them to have access to a wide selection of used equipment.”

**TESTING THE MARKETS**

Fuller says Atlas Resell Management, based in Boise, Idaho, has also been testing sales on Amazon.com for three or four years and is now experimenting with expanding sales on the Amazon Business marketplace. But he’s not yet convinced that the structure or the types of sales that are done on Amazon are right for his business.

That’s because Atlas sells many unique dental chairs and other items in small quantities, and often can’t offer the bulk quantities that many Amazon buyers prefer, Fuller says. Instead, Atlas uses Amazon for some of its products to test how they sell. “We sell a little bit on Amazon just experimentally,” he says, adding: “We don’t have a depth of SKUs, because every dental chair is a little bit different.”

Fuller says that some of his refurbished equipment may sell better on Amazon, an option Atlas is considering. Still, he says he’s wary of the higher fees Amazon charges as well as Amazon’s reputation for competing with its marketplace sellers as a direct seller itself.

What’s clear in the business of B2B e-marketplaces, however, is that they’re growing in numbers.
Eric Best, chief strategy officer at CommerceHub, which helps companies sell through e-marketplaces, also points to the evolution of B2B e-marketplaces from the closed model—where buyers couldn’t view and compare prices from multiple sellers—originally promoted by industry Internet exchanges that were developed by select groups of suppliers. “It’s interesting that it’s almost coming full circle,” Best says. “Those were closed marketplaces of course back in the day. And I think they were limited in some ways because sellers didn’t necessarily want to lose negotiating leverage” by letting buyers see their competitors’ offers. Best refers to open visibility of pricing as “perfect track price transparency,” or the ability to see and track pricing for a particular product or group of products across many suppliers—as is common in retail e-commerce. “But 15 years later,” he adds, “it’s kind of hard to argue against perfect track price transparency,” or the ability to see and track pricing for a particular product or group of products across many suppliers—as is common in retail e-commerce.

“One major thing sellers have going for them on marketplaces these days is a services-heavy open marketplace model that wasn’t available in the earlier days of e-commerce. “Today’s B2B marketplaces offer broad and deep selection, transparent pricing, and some of the fastest fulfillment available with the rise of 1-hour and 2-hour same-day delivery,” says Andy Hoar, a principal analyst following B2B e-commerce at Forrester Research Inc. “As a result, they’re attractive to increasingly demanding B2B buyers in search of the perfect vs. the ‘just good enough’ solution.”

“In contrast,” he adds, “yesterday’s marketplaces in many cases fell short of the acceptable threshold for site searchability, product assortment and fulfillment. They were simply too friction-filled and hard to use to garner broad adoption.”
Jeff McRitchie, vice president of marketing for binding and laminating supplier MyBinding.com, presents a good example of being flexible to get the most out of marketplaces. One of the biggest mistakes that his company made in selling on e-marketplaces, he says, was using descriptions of products copied from the company’s own e-commerce site, which sometimes resulted in the e-marketplace outranking the company site for product searches.

“That’s a really painful lesson, because it is often difficult to undo after you’ve done it,” he says. “There are lots of different approaches, but I would say that the best advice is never give them your best content. Have something written for the marketplaces separate from what you have on your site.”

McRitchie says sellers should also watch the fees on e-marketplaces and understand what the true overall cost is. “It’s happened to us at different times but I’ve seen a ton of people who actually aren’t making any money after the fees, but still don’t know how to calculate the fees into the transaction,” he says. “It looks like they are making decent margins, but if they are not charging for freight, and then with the 15% commission paid to the marketplace, they actually are losing money on the transaction.

“The marketplaces don’t care. They just want to see you sell. They get their commission whether you make money or not. But it is a really easy way to run your business into the ground.”

SELLERS BEWARE

Still, sellers on marketplaces nowadays say that, open or not, they must carefully manage their marketplace accounts.

“For some B2B sellers, marketplaces open the door for them to incremental numbers of customers, predictable customer acquisition costs, and market exposure they could not afford to buy,” Hoar says. “For other B2B sellers, though, marketplaces will be where they will be beaten on price and delivery options by well-funded competitors eager to leverage their scale efficiencies.”

“But either way,” he adds, “as B2B buyers ramp up their use of both B2B and B2C marketplaces, B2B sellers that want to survive long-term will have no choice but to follow them there. The smart ones will do so deliberately with a solid but flexible plan.”

A NEW SELLER HUB

The marketplaces, however, say they’re addressing such issues. EBay this summer is rolling out a tool called a Seller Hub to give businesses the ability to...
look at information that’s relevant to their sales. “They can take a look at guidance on how they are pricing and monitoring accurately,” says Pooja Piyaratna, divisional merchandise manager of Business & Industrial for eBay. “That’s something that we offer that is available for our sellers and gives the sellers the ability to extract information and manage it.”

EBay says there are more than 7 million B2B-oriented SKUs on its marketplace. The company claims a total of 25 million global sellers, though it does not say how many are focused on selling to businesses rather than consumers. “We have a trusted experience so not only are we really taking care of the buyers but also the sellers that are on our platform,” Piyaratna says.

“We don’t compete with our sellers,” she says. “They know they are on a platform that is a fair marketplace and they can compete and conduct their business in a way that they can feel confident that they are being taken care of and that they aren’t in competition with the platform that they are on.” She notes that sellers have a dedicated account management team to help support them as they conduct their business on the platform. “There are quite a few benefits, not to mention the global reach that the eBay platform offers where we sell in over 100 different countries.”

When eBay executives point out that eBay doesn’t compete with third-party sellers on its marketplace, and they make that point frequently, they are referring to other companies—particularly Amazon.com Inc.—that do.

**HITTING THE RIGHT PRICE**

For its part, Amazon Business is expanding services to help businesses buy and sell on its marketplace.

For buyers, Amazon lets buyers see both the negotiated price they may have with a contracted supplier and prices other suppliers are offering for the same product. And if the marketplace price is lower than the negotiated price? “The customer gets the choice,” including to buy at the lower marketplace price, Prentis Wilson, vice president of the Amazon Business, said in June during the the B2B Workshop at IRCE 2016 in Chicago. “It’s all about building trust for the customer.”

It also works with buyers to streamline their purchasing. Henkel Corporation, the North American unit of Germany-based Henkel AG & Co. KGaA, a manufacturer of adhesives, beauty products, laundry and other home-care products under such brands as Dial soap, Persil laundry detergent and Loctite glue, has started procuring through Amazon Business many of the indirect goods it needs to operate and maintain its facilities. About 200 of Henkel’s North American employees—a number that will increase to several hundred later this year—are purchasing through Amazon Business many of the “long tail” of items Henkel often needs outside of its replenishment contracts, says Ellen Nielsen, vice president of purchasing at Henkel.
Such purchasing can be difficult to manage, including ensuring employees are purchasing approved products from approved suppliers and within budgeted spending amounts. “Tail management is why we put Amazon Business in place,” she says.

Henkel’s team of buyers use “punchout” software in Henkel’s own global procurement software to link to Amazon Business, where they can view and purchase approved products. Henkel worked with an Amazon Business team to integrate those purchases with Henkel’s procurement software and workflow process, which enables Henkel to ensure employee spending stays within approved product lists and budgets.

“The workflow was easy to integrate with Amazon Business; both companies worked well together and completed it within a few weeks,” Nielsen says. She adds that the Amazon Business provides an “intuitive” purchasing interface that has been easy for Henkel’s buyers to learn.

TIPS FOR SELLERS

Colin Puckett, senior marketing manager for the Amazon Business marketplace, says his company enables sellers to reach the many registered business customers who have been coming to Amazon’s retail marketplace for work and business purchasing. “Sellers who add their diverse, business-relevant selection to the marketplace can gain direct access to business customers and expand their reach beyond their current customer bases, both geographically and through reaching industry verticals they may not have sold to previously.”

Puckett says when Amazon Business replaced the former AmazonSupply.com last year as Amazon’s B2B portal, it introduced features for buyers and sellers designed to encourage wider use of the B2B marketplace, in effect helping B2B commerce catch up to the popularity of retail commerce on Amazon.com as well as other consumer marketplaces. Amazon has been building features for both buyers and sellers that are customized for the uniqueness and complexities of business-to-business transactions, he says.

“For example, businesses tend to buy in larger quantities and want more visibility into those spending habits,” he says. “For buyers, we have built improved purchasing reporting and spend reconciliation tools to provide that visibility. For sellers, we have enabled a tiered quantity discount pricing feature as well as a tiered fee structure to incentivize larger purchases from businesses.”

Amazon Business offers a number of tools and programs to help sellers get started, Puckett adds. “We realize that B2B companies bring a broad spectrum of e-commerce experience with them when they arrive on our pages, so our team is prepared to offer guidance to get sellers’ items posted and selling quickly and efficiently.”

CONTENT IS KEY

At Henkel, the manufacturer also works with Amazon to ensure that purchased products meet Henkel’s required specifications. “Sometimes we need products that are certified to have specifications, such as for laboratory supplies, and...
that must be mentioned in product descriptions,” Nielsen says. “We’re constantly working with Amazon Business, sharing feedback they take back to suppliers to make sure they provide all necessary descriptions.”

Puckett notes that Amazon Business routinely works with suppliers on product content. “We encourage all sellers to take stock of their product data and imagery to ensure they’re putting their best foot forward on the marketplace in front of hundreds of thousands of business customers,” he says.

Orbital Tracking Corp. is an online provider of satellite-tracking devices that primarily sells online to business customers via Amazon. David Phipps, Orbital’s CEO, takes the Amazon content suggestions very seriously at the Aventura, Fla.-based company. “I can list a product in two minutes and it is going to be a viable listing,” he says. “But to list a product properly, we get that product photographed professionally with eight or 10 photographs, different angles, with the packaging, with accessories or whatever. When we actually list it on the marketplace, people can see exactly what they’ll get.”

Phipps notes that other sellers might have just a single picture in their listing taken with a cell phone or other non-professional camera. “Our product listings always have really high-quality images and a variety of images,” he says. “We take time and make sure the description is our own and representative of the product we’re selling. We try not to copy the manufacturer’s description, because Google can sometimes penalize you if your text matches text it finds on another website.”

‘HAVE ACCURATE PHOTOS’

EBay’s Piyartna says her team also advises sellers to show accurate and robust information in product listings to help buyers make purchasing decisions.

‘Have accurate photos,” she says. “You’ll see in some of our heavy equipment listings, for example, there are multiple photos and even videos that are shot.”

She adds that many eBay sellers will provide a lot of detail to make sure they are communicating accurately the information in the listing. “That definitely helps those buyers make accurate decisions with accurate content,” she says.

Such an approach has helped to drive a huge increase in sales at US Shop Tools, a distributor of machine shop tools and metalworking supplies that it sells through e-marketplaces in addition to via its own printed catalog. Al Kessop, manager of warehousing and e-marketplace operations at the Anaheim, Calif.-based company, says that the biggest challenge for his company in launching a
storefront on eBay in the past year was the up-front work of listing 14,000 SKUs on the site. “You have to have one or two dedicated people to get the store up and running,” he says.

EXPANDING MARKET REACH

US Shop Tools had previously had a minimal presence with about 100 SKUs on eBay for five years before opening the storefront. “The growth in sales has been exponential since then,” Kessop says, noting growth of 1000% in his sales of such products as bushings and other components for metal-cutting machinery. Kessop adds that, though he pays an average of about 9% of his sales to cover eBay’s fees, he’s able to generate profit margins of 25% of more. eBay has also been a good source of new customers, he notes, with the majority of orders coming from new customers who find US Shop Tools on eBay.com.

US Shop Tools also does business at a lower volume with Amazon, which buys and resells the distributor’s products and ships them from Amazon’s warehouses. One disadvantage of selling through Amazon, Kessop says, is that, unlike on eBay, he doesn’t have direct access to the end-customers for follow-up marketing campaigns.

Fees charged to third-party marketplace sellers follow different schedules on Amazon and eBay. Amazon charges sellers a 12% commission, for example, on the final item sale price of products in its general Industrial & Scientific category.

Ebay charges sellers in its Business & Industrial categories a basic insertion fee and a commission on the final sale price, but these can range widely by the particular B&I category. For such product categories as heavy industrial equipment, commercial printing presses, and imaging equipment used in healthcare, the basic listing insertion fee is $20 per item per category, plus a 4% commission on the final sale price.

To reach a more global audience, Orbital Tracking this year has also launched sales with its own storefront on the Chinese B2B e-marketplace Alibaba.com, which primarily caters to Chinese companies selling to companies overseas, and is joining the Japanese e-marketplace Rakuten. “The advantages, without a doubt, are that you are getting much wider reach and a much wider audience for your products,” Phipps says. “People all over the world can obviously access the websites you’re listing on.”

As Phipps and other sellers have discovered, putting together the right selling strategy can make online marketplaces an effective way to reach customers and build sales. 

APPAREL
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JoorAccess.com
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Poshmark.com
RetailUniverse.com
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Appexchange.salesforce.com
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DiscoverCloud.com
INGDAN.com
VentureApp.com

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SouvNear.com
wholesale.TheGrommet.com

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GencoMarketplace.com
Groupon Goods Liquidation Auctions (GrouponGoods.bstock solutions.com)
Shotang.com
ViaTrading.com
WeMarket.com

GENERAL BUSINESS, INDUSTRIAL, SCIENTIFIC PRODUCTS
Amazon Business (Amazon.com/business)
Alibaba.com
AllActionTrade.com
B2Buy.com
Beautihub.com
BizBilla.com
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Cogobuy.com
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MarketplaceB2B.com
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John Deere plows further into e-commerce

DEERE & CO., THE MANUFACTURER OF JOHN DEERE BRAND TRACTORS and other equipment used in the construction and agricultural industries as well as in home lawn care, is forging further ahead into B2B e-commerce. It’s working on an e-marketplace projected to have hundreds of millions of dollars in gross transaction value within a few years, and it’s expanding its use of mobile apps.

Deere is working with Apttus Corp., a provider of B2B e-commerce technology, to deploy a new e-marketplace as mentioned at the Apttus Accelerate conference in April 2016. The new marketplace will serve as a multifaceted portal for end-customers and dealers to purchase products from Deere factories as well as from other suppliers of agricultural equipment. Deere has not directly commented on its plans for the marketplace.

Additional features of the marketplace include the calculation of sales tax across each state with a sales tax; the ability of resellers on the marketplace to manage pricing and bundling of products for sale.

Deere also added to its collection of mobile apps for customers this spring with the launch of John Deere MyMaintenance, an app designed to let construction equipment maintenance managers view and document maintenance schedules by calendar date or by number of hours a particular machine has operated. As they view a list of the equipment they manage, including images of where they’re currently located on a map, they can also view how many days or operating hours until the next scheduled service and view a history of maintenance costs; they can also view lists of available parts.

With an electronic link, called JDLink, from the app to their John Deere equipment dealers, customers can also arrange to have alerts automatically sent to dealers when particular machine components need to be replaced. An order for the part is automatically sent to the dealer, who sends a technician to deliver and install the part.

“The MyMaintenance app gives users a plethora of information at their fingertips, including the ability to view equipment on a map, look at machines nearby, bar code scan a machine to see maintenance plans, access a parts list for maintenance and the ability to keep track of maintenance costs,” says Paul Garcia, product manager, John Deere WorkSight, Deere’s suite of products and services designed to let customers manage their equipment from the field.

Deere is No. 35 in the B2B E-Commerce 300.
B2BSHERE INC. LAUNCHED AN ONLINE TRANSACTION PORTAL in January 2016 for international buyers and sellers of a wide range of industrial and household consumer products. The portal brings e-commerce transactions to B2BSphere.com, which launched last fall as a website where buyer and sellers could find one another and share information.

B2BSphere developed the transaction portal—B2BSphere.com/Bazaar—to meet the needs of small companies that need access to suppliers around the world, CEO Babu Jayaram says.

“We met with small-time apparel stores in Houston and talked with them to understand what their pain points are,” Jayaram says. “They’re nervous about purchasing anything outside the U.S.—nothing’s guaranteed, and they pay for goods and feel like they don’t know what they’re getting back. We’ve created a solution to make the buyer and supplier more confident about purchasing across borders.”

Since the e-commerce portal’s January launch, some 8,000 sellers have created accounts on the site, including Stanley Black & Decker Inc., a New Britain, Conn.-based manufacturer of industrial power tools and equipment and household hardware and security products; Titan Company Limited, a luxury watch manufacturer based in India; and Handicare International AB, a Norway-based manufacturer of wheelchairs and other mobility products.

Suppliers registered on B2BSphere.com/Bazaar have posted for sale approximately 3,100 SKUs, organized into seven categories: Apparel & Garments; Handicrafts; Industrial Tools; Packaging Industry; Home Improvement; Awards and Trophies; and Cricket, a section dedicated to products related to the popular English bat-and-ball game. Jayaram says the company is adding about 300 products weekly to the portal, which receives about 1,500 monthly unique visitors.

Product pages can include a shopping cart e-commerce function as well as a tool that lets buyers click a phone number and instantly place a call.
Although the SAP and Ariba brands were aligned less than four years ago, Ariba launched in 1996 as one of the original B2B marketplaces. And in 2016, SAP Ariba is the largest, global business-to-business marketplace, with more than two million buyers and sellers that operate across 190 countries, transacting one trillion dollars in commerce on an annual basis—that's more e-commerce transaction value than Amazon, eBay and Alibaba combined.

"By definition, we're really a place where buyers and sellers come together to make new connections to fill the needs that they have to buy and sell goods and services," describes Alicia Tillman, chief marketing officer of SAP Ariba. "And there's a tremendous amount of activity on our marketplace that's based on the shared values and needs of our buyers and sellers."

"Companies want to make decisions based on similar mindsets around how goods are being produced and where they are being produced," says Tillman. "The beauty of our marketplace is that we give you the tools to do this. For example, you can find organic or minority-owned suppliers. And you can certify that no forced labor is being used. And that's important in the modern environment."

Not only do businesses want to sell to others with a similar vision, but they also want a piece of the international market. Even small- to mid-sized companies have aspirations to scale their businesses internationally, and SAP Ariba has created a marketplace that covers every region of the world.

"If a company wants to optimize a segment they are in, or they have aspirations to grow in certain regions, we offer the operational framework for them to get there," adds Tillman. As the largest network of buyers and sellers across the world, SAP Ariba provides a unique community through which members can gain access to intelligence, insights, best practices and recommendations they can use to make optimal business decisions.

Tillman notes that SAP Ariba doesn’t just provide an e-commerce platform, but it works side-by-side with customers to optimize how they are working within the marketplace.

"We don’t just facilitate commerce, we create it by connecting buyers and sellers with opportunities that are uniquely matched to their needs and capabilities," Tillman says.

As an example, Tillman cites Ariba customer, M&R Distribution Services. The small, minority-owned company came onto the marketplace and was unsure of where to begin as a seller. Ariba helped M&R build a profile on Ariba Network, where it was eventually matched with Caesars Entertainment through the Ariba Discovery buyer-seller matchmaking service. The company responded to a request for proposal and is now the vendor of choice for many of Caesars’ goods and services for its properties.

"By joining our network, M&R was able to connect with a customer they might not otherwise have had access, clearly outline their capabilities and grow their business," says Tillman.

In 2015, Ariba Discovery matched client companies with more than 33 million leads. And for those businesses that connect to Ariba Network, they increase their efficiency by 20%, increase new customer sales by 15%, boost sales with existing customers by 30% and receive payment from customers 15% to 20% faster, compared with how they operated before joining the network, Tillman says.

At its core, SAP Ariba strives to be the marketplace for modern business—creating simple, intelligent exchanges between millions of buyers and suppliers. This means it is focused on delivering innovations across its cloud-based applications and business network that enables companies of all sizes to simplify collaboration with their trading partners, make smarter business decisions and extend their collaborative business processes with an open technology platform.

"Business is a completely different game today and demands a totally new approach," Tillman says. "Companies must be equipped to discover, connect and collaborate electronically on everything from sourcing and orders to invoices and payments. Our mission is to provide them with tools that enable them to do these things in a completely frictionless and easy way that drives adoption and ultimately transforms their business."
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Once a supplier has created a user profile on B2BSphere, it can upload pictures, videos and files, as well as post business requirements for prospective buyers. All items are stored in the seller’s profile on B2BSphere.com, and sellers can stipulate who has access to each document. Information listed on individual profiles powers the company’s recommendation engine, which offers suggestions for matching buyers and suppliers.

Approximately 820 buyers, primarily U.S. small and midsized companies with annual revenue between $1 million and $5 million, have created profiles on B2BSphere.com.

Buyers can issue a request for a price quote or place an order for customized products by sending a message to an individual supplier’s profile on B2BSphere.com. Buyers can also communicate with a number of suppliers through the online question-and-answer forum, or use live chat to talk with a B2BSphere customer service rep.

For an additional fee ranging from $300 to $600, buyers can request reports certifying a supplier’s products and manufacturing processes and facilities by inspection and audit firms retained by B2BSphere. B2BSphere works with AsiaInspection.com, an inspection firm that conducts quality control and factory audits and issues reports on every supplier it reviews. Sellers can add these reports to their B2BSphere profile, as a way to make buyers feel more confident about the quality of their products and factory before purchase.

Once an order is placed, buyers can track their package through B2BSphere.com.

Stripe, a provider of payment-processing technology, powers the company’s online payment platform. Business buyers can pay through credit cards under the Visa, MasterCard, American Express and JCB brands, with processing provided by Stripe. Buyers can also pay via bank wire transfers and use a payment escrow service B2BSphere offers through Armor Payments Inc.

Membership on B2BSphere is free for buyers. For sellers, membership is organized into five models:

- Free, which offers suppliers 250 megabytes of storage, the ability to list and sell 25 products monthly, as well as the ability to issue 25 monthly bids for buyers’ business per month;
- Basic, priced between $49.99 and $99.99 monthly, which offers suppliers 2 gigabytes of storage, the ability to list 100 and sell an undisclosed number of products, and the ability to issue an unlimited number of bids to buyers;
- Premium, priced between $99.99 and $199.99 monthly, which offers companies one terabyte of storage, the ability to list an unlimited number of items and sell 25 products per month and issue an unlimited number of bids;
- Pro, priced between $199.99 and $299.99, which offers the company an unlimited amount of storage, the ability to list and sell an unlimited number of products, the ability to issue an unlimited number of bids and free product and factory inspections;
- Enterprise, which is meant for suppliers that process more than $500,000 monthly in revenue. B2BSphere does not provide details about what the Enterprise option offers or its price.

B2BSphere was founded in July 2015, and has offices in Houston and Bengaluru, India.
MANUFACTURER BRIDGETOWN BREW SYSTEMS GROWS INTERNET SALES as craft breweries spread, and eyes more growth with a new trend in craft distilling.

Bridgetown Brew Systems LLC., which manufactures brewing and distilling equipment, started with the idea of selling to small breweries, says co-owner Loren Neufeld. Since the manufacturer started operations in 2013, its sales have increased 35%-40% each year with the help of an internet marketplace, says Neufeld, who is also head of sales and engineering.

Neufeld says Bridgetown grew faster than he anticipated thanks to the substantial growth in the craft brewing industry.

Bridgetown now operates out of a 6,000-square-foot facility and sells equipment for an average of four customized breweries per quarter, with each order averaging between $50,000 and $500,000.

Craft brewers produce a smaller amount of beer than large corporate breweries, use their own process and put more of an emphasis on flavor and high quality, Neufeld says. But brewing equipment has long been standardized by the larger brewers, so Bridgetown saw an opening to provide customers with fully customizable, made-to-order systems.

Bridgetown uses Kinnek, an online marketplace for sellers of industrial supplies, to list its products and provide quotes to customers. “Our relationship with Kinnek is that we’re able to simply put our company profile on their site, which has our list
of products,” Neufeld says. “Customers find us and reach out for a quote on a price, and we make a good amount of sales off of those quotes.”

Kinnek has also benefitted from the growth of craft brewing, says Kinnek strategic product manager Hao Wang. “We were founded in 2012 and managed to get involved with craft brewing pretty quickly, and we’ve been fortunate enough to grow alongside it,” Wang says. Nearly half the product categories on Kinnek.com relate to equipment for breweries, distilleries, wineries or makers of cider.

Kinnek.com lists products from more than 2,000 suppliers of brewery equipment, but it also lists products from industries ranging from agriculture, hospitality and food processing. The marketplace, was built in-house, Kinnek charges suppliers a fee to list items, with the fees based on the volume of leads generated. Wang declines to provide more details on seller fees. The site charges no fees to buyers.

Neufeld says Bridgetown is also well positioned to succeed in the next flourishing section of the alcohol industry—craft distilling. “When one market starts to fill up like beer has, another pops up,” he says. “With beer variety growing as fast as it is, it gives people the idea of ‘Why can’t I do this with liquor too?’

Neufeld estimates that 30% of Bridgetown’s business is now related to distilling and much like its overall growth numbers, he expects that percentage to increase as craft distilling grows more popular. Bridgetown’s relationship with Kinnek also covers distilling, as the marketplace lists Bridgetown’s distilling equipment for sale the same way it lists its brewing products.
MORE THAN 5500 INDEPENDENT PHARMACIES USE THE B2B MARKETPLACE to electronically connect with drug manufacturers and distributors.

Trxade Group Inc., which operates a business-to-business e-commerce marketplace that links more than 5,500 independent pharmacies with drug wholesalers and distributors, says it has a prescription for taking strong growth in 2015 into a financially stronger 2016.

Trxade’s surge in 2015 revenue—more than tripling year over year to nearly $5 million—helped to slice nearly in half its year-earlier net loss, to just over $1 million from about $2 million.

“We are confident our growth will continue to trend positively and expect to achieve record financial results again in 2016,” says CEO Suren Ajjarapu. “After several years of investments in building our proprietary platform, we believe we are now well-positioned to attract and deliver solid measureable value to our customers in both time and money.”

Trxade says that about two dozen wholesale suppliers sell on its web portal, rx.Trxade.com, providing independent pharmacies with more than 15,000 SKUs, up from about 6,000 SKUs at the end of 2014.

“Over the next few years our goal is to grow revenues flowing through our platform by increasing the number of pharmacies using our services as well as the amount of purchasing done through our platform,” Ajjarapu says. “With 24,000 independent pharmacies in the U.S. accounting for $93 billion in pharmaceutical purchases each year, we believe we have tremendous growth potential ahead of us.”

For the fourth quarter ended Dec. 31, 2015, Tampa, Fla.-based Trxade reported:

- Revenue increased year over year 94.4% to $1.15 million from $591,624 in Q4 2014;
- General and administrative expenses increased 51.7% to $1.31 million from $863,805;
- Net loss was $495,445 compared with a net loss $437,144.

“Our record fourth quarter revenues reflect another strong quarter of transactional revenue for our supplier-to-pharmacy trading platform,” Ajjarapu says.

For the year ended Dec. 31, Trxade reported:

- Revenue increased year over year 234.9% to $4.99 million from $1.49 million;
- General and administrative expenses increased 63.3% to $4.05 million from $2.48 million;
- Net loss was $1.11 million compared with a net loss of $2.01 million.

In 2016 Trxade will target new trading partners in small hospitals with 100 beds or less that operate an internal pharmacy. “We are just scratching the surface,” Ajjarapu says.
A B2B portal launches to sell items from the Rio Olympic Village
BY TIM BRUSVEEN

TABLES, CHAIRS AND FIXTURES THAT OLYMPIC AND PARALYMPIC ATHLETES WILL USE this summer are already up for bid on a web portal operated by RGS Events.

The gold medals from the upcoming 2016 Olympic and Paralympic Games in Rio de Janeiro will be reserved for the best athletes in the world, but businesses can still buy a piece of the historic athletic competition. RGS Events, the official supplier of furniture, fixtures and equipment for the Games, will be auctioning various items straight from athlete apartments and venues in Rio.

Using the marketplace B-Stock Events operated by B-Stock Solutions, users can bid on more than 1.3 million items that will be used in Rio. The auction-style marketplace is on the web at https://events.bstock.com/ and there will be new items added through the end of the Paralympic Games in September, says Paul Ramler, the marketplace project director at RGS Events.

“This is a unique opportunity for business buyers around the globe to purchase items used by some of the world’s top athletes,” Ramler says. RGS Events designed, procured, shipped and managed the installation of items in 18,000 athlete apartments and venues in Rio de Janeiro. After the Games, Ramler says, the marketplace will provide a way for the furniture and other items to be used by others. “RGS is proud to continue our tradition of supplying furniture, fittings and equipment for the Olympics and Paralympics as well as providing sustainable outcomes for the items,” he says.

RGS Events has worked with marketplace technology services provider B-Stock Solutions to build and customize the B2B marketplace for the Olympics equipment. In addition to marketplace technology, B-Stock is providing RGS a team of marketplace management experts who will assist with several aspects of marketplace operation, including inventory management, strategy, logistics and customer support.
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