The State of E-Commerce in North American Wholesale Distribution

2025 Strategic Analysis

A comprehensive examination of digital transformation, competitive positioning, and operational imperatives for distribution executives

DISTRIBUTION STRATEGY GROUP

Wholesale distribution stands at a critical inflection point. E-commerce has moved beyond experimental status to become operational infrastructure, yet most distributors remain unprepared for the next wave of competitive pressure. Based on comprehensive research involving 896 respondents from wholesale distribution companies and manufacturers across North America, conducted in 2024-2025, this report identifies the strategic priorities that separate market leaders from those at risk of obsolescence.

Key Findings

E-commerce revenue reached 13.5% of total sales in 2025, representing 43% growth from 2023. The progression from 9.7% in 2023 to 11.6% in 2024 and 13.5% in 2025 demonstrates sustained momentum. This growth spans all revenue bands and sectors, with particularly strong adoption in JanSan (40.7%), pulp and paper (24.1%), and hardware (16.7%) operations.

Customer experience dominates all operational priorities at 59.8% of respondents. This represents 2.7 times higher emphasis than any competing priority. The second highest priority, operational efficiency, garnered only 22.4% of highest-priority rankings. This decisive focus signals industry maturity: distributors are no longer asking whether to implement e-commerce, but how to differentiate through superior execution.

Product data completeness remains at 47.7%, showing minimal improvement. Half of all SKUs lack complete attribute coverage, imagery, or specifications. Sector performance varies dramatically: pulp and paper leads to 58.2%, while industrial operations lag at 49.7%. This stagnation creates compounding problems as AI-powered search becomes the standard discovery mechanism.

Financial objectives have shifted decisively toward growth. Growing the number of orders leads all priorities at 37.3%, followed by new customer acquisition (30.6%) and existing customer development (27.9%). Historical focus on efficiency and cost reduction now ranks fourth at 22.4%, reflecting confidence that digital commerce drives revenue expansion rather than merely reducing operational costs.

Satisfaction with e-commerce investments remains bifurcated. While 22.2% report high satisfaction (extremely or very satisfied), 40.2% express dissatisfaction (slightly satisfied or not at all satisfied). The gap between leaders and laggards continues to widen, with successful distributors focusing on customer experience and product data quality rather than technical integration challenges.

Traditional distribution channels maintain dominance at 61.4 % but face gradual erosion. Manufacturers project traditional distributor revenue declining to 72.3% within five years, with growth concentrated in pure digital distributors (4.3% to 6.4%) and marketplaces (6.7% to 8.1%). Direct-to-customer channels remain substantial at 27.0% today, though manufacturers expect modest decline to 24.3%.

Industry Context:
The Digital Commerce Maturation

Revenue Progression: Sustained Multi-Year Growth

E-commerce revenue as a percentage of total sales has followed a clear upward trajectory from 2022 through 2025, demonstrating that digital commerce is no longer experimental but foundational infrastructure:

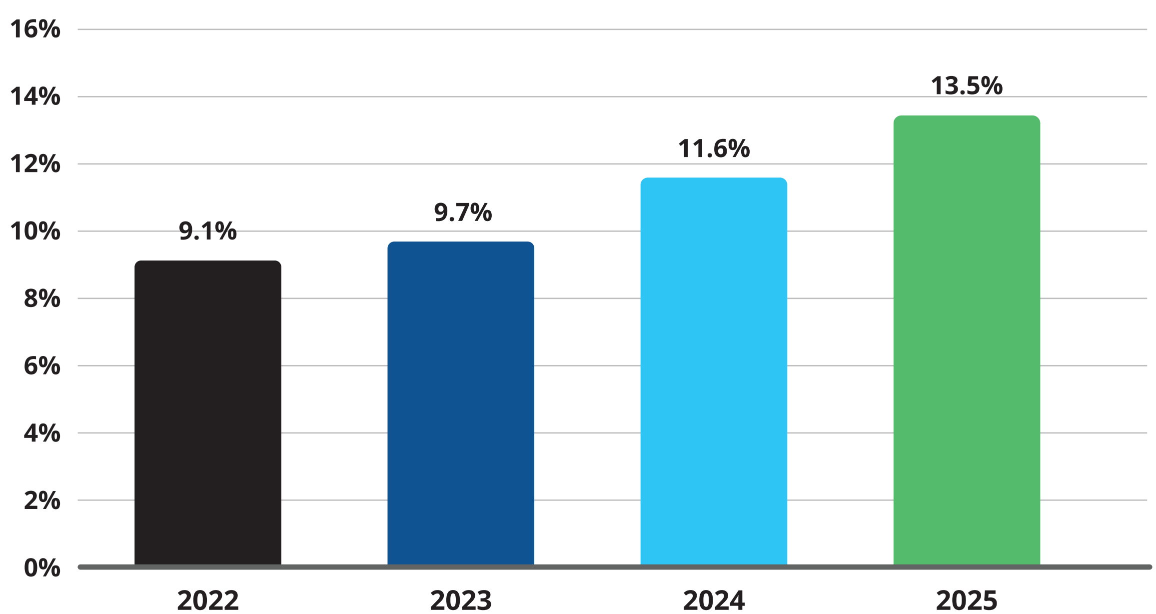


Figure 1: E-Commerce Revenue Progression 2021-2025
SOURCE: Primary survey data, n=896 respondents, 2024-2025

- 2022: 9.1% - Modest growth reflecting economic headwinds and inflation concerns
- 2023: 9.7% - Acceleration begins as platform maturity improves
- 2024: 11.6% - Strong growth driven by improved user experience and sales force adoption
- 2025: 13.5% - Continued momentum with 39% cumulative growth from 2023

This 39% two-year growth from 2023 to 2025 represents genuine operational improvement rather than isolated success stories. The growth spans multiple revenue bands and product categories, indicating widespread capability development across the industry.

Sector-Specific Performance

E-commerce maturity varies dramatically by sector, driven primarily by product complexity, transaction characteristics, and customer buying processes:

High-Growth Leaders:

JanSan distributors achieved 40.7% e-commerce revenue penetration in 2025, This exceptional performance reflects product characteristics that align perfectly with digital commerce: standardized SKUs, minimal technical specification requirements, straightforward logistics, and frequent reordering patterns. Pulp and paper operations reached 24.1% penetration, while hardware distributors achieved 16.7%.

Steady Growth Sectors:

Electrical distribution reached 13.0% e-commerce revenue in 2025, up from 8.0 % in 2023. This strong performance reflects successful digital enablement of service and maintenance business. Industrial distribution achieved 14.9%, with bifurcated performance: MRO consumables move readily through e-commerce while critical process components requiring engineering support remain sales intensive. HVACR reached 16.3%, and plumbing achieved 12.2%.

Building Momentum:

Electronics distribution demonstrates mature e-commerce capability, though specific 2025 revenue data was limited in the survey. Safety product distributors reached 29.0% penetration, reflecting competitive pressure from general industrial distributors and Amazon Business presence in PPE and safety equipment.

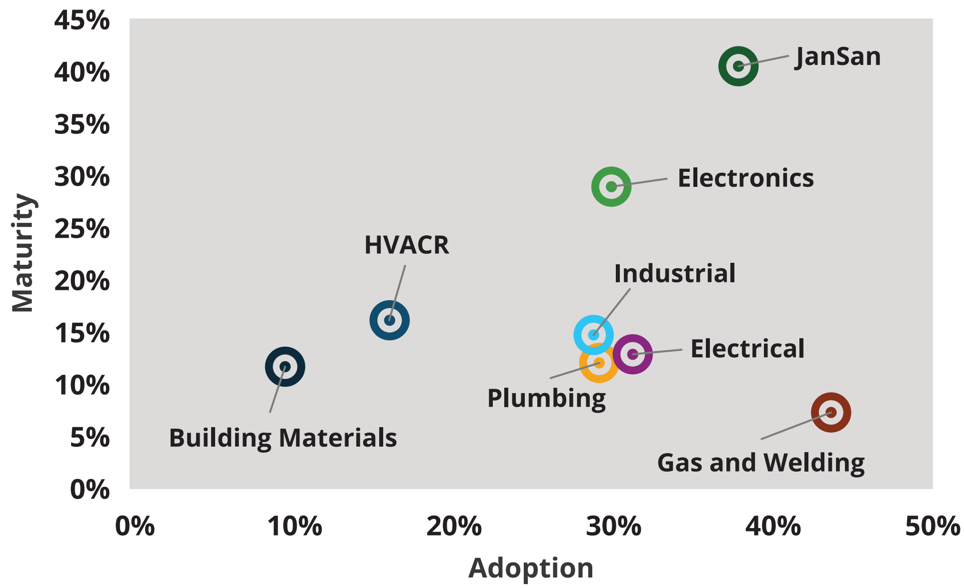
The Adoption Plateau Narrative Was Premature

Industry observers predicted e-commerce adoption would plateau around 10-12% of revenue, arguing that wholesale distribution's complexity would prevent deeper digital penetration. The 2025 data refute this thesis. E-commerce revenue continues accelerating, with multiple sectors exceeding 15% penetration and several surpassing 20%.

Three factors drive continued growth beyond predicted ceilings. First, the web-assist model—where customers research products digitally but complete purchases through other channels—expands the addressable scope of digital commerce beyond simple transactional orders. Second, mobile optimization and improved user experience removed friction that historically limited adoption. Third, sales force compensation alignment eliminated the channel conflict that previously constrained growth.

E-Commerce Maturity by Sector

E-commerce maturity varies dramatically across distribution sectors, driven by product complexity, transaction characteristics, and customer buying processes. The relationship between adoption (percentage of distributors with e-commerce) and maturity (e-commerce revenue as percentage of total sales) reveals distinct sector patterns:



High-Maturity Sectors (Upper Right Quadrant): JanSan distributors demonstrate the highest combination of adoption and maturity, with approximately 42% maturity and 42% adoption. Electronics distribution shows similar strength at 25% maturity with 30% adoption. These sectors benefit from standardized products, straightforward logistics, and frequent reordering patterns that align perfectly with digital commerce.

Moderate-Maturity Sectors (Middle Band): Electrical (13% maturity, 32% adoption), Industrial (15% maturity, 30% adoption), and Plumbing (12% maturity, 29% adoption) occupy a middle zone. These sectors show solid adoption rates but lower revenue penetration, reflecting transaction complexity and service revenue that resists pure digital channels. HVACR (16% maturity, 20% adoption) stands apart, demonstrating moderate maturity but relatively lower adoption, potentially due to more specialized products and service-heavy business models.

Emerging Sectors (Lower Left): Building Materials distribution (11% maturity, 12% adoption) faces structural resistance: project-based buying, logistics complexity, and relationship-intensive sales.
Gas & Welding (7% maturity, 45% adoption) shows a unique pattern—adoption is high, driven by competitive pressure from general MRO players—but maturity remains low, reflecting nascent implementations and limited revenue penetration.

This scatter plot reveals a critical insight: high adoption does not automatically translate to high maturity. For example, Gas & Welding has one of the highest adoption rates, yet generates only 7% of revenue through e-commerce. Conversely, JanSan's 42% maturity demonstrates genuine channel transformation rather than experimental implementations.

Between 2022 and 2025, the percentage of distributors generating more than 30% of their total revenue through e-commerce rose from 10% to 13%, following a rebound from a slight dip in 2023. While this may appear modest at first glance, the directional trend reveals something far more consequential: a small but growing cohort of distributors is pulling decisively ahead, reaching levels of digital penetration that were once considered aspirational.

This shift represents more than adoption—it signals digital execution at scale. These "30%+" companies aren't simply enabling transactions online; they are fundamentally transforming how customers engage, buy, and return—and they are doing it better than everyone else.

Sector-Specific Digital Maturity: Notable Strategic Differences

Distribution sectors demonstrate markedly different digital maturity profiles driven by fundamental differences in company scale, catalog complexity, and association infrastructure. Electrical distribution represents the most digitally mature segment: 63% of electrical distributors exceed $100 million in annual revenue compared to just 9% in gas and welding distribution, and this scale advantage translates directly into digital capabilities. Electrical distributors report the highest product data satisfaction scores (3.29/5.0 vs industrial's 3.03/5.0) and maintain superior data completeness even at large catalog scale—electrical distributors with 100,000+ SKU catalogs achieve 51.6% average completeness compared to gas and welding's 29.8% at similar scale. Building materials distribution exhibits the widest strategic variance, with 24% reporting zero buying group reliance (highest non-participation among major sectors) and 69% prioritizing brand promotion compared to gas and welding's 22%, reflecting the sector's hybrid B2B/B2C dynamics where contractors and homeowners represent distinct buyer personas.

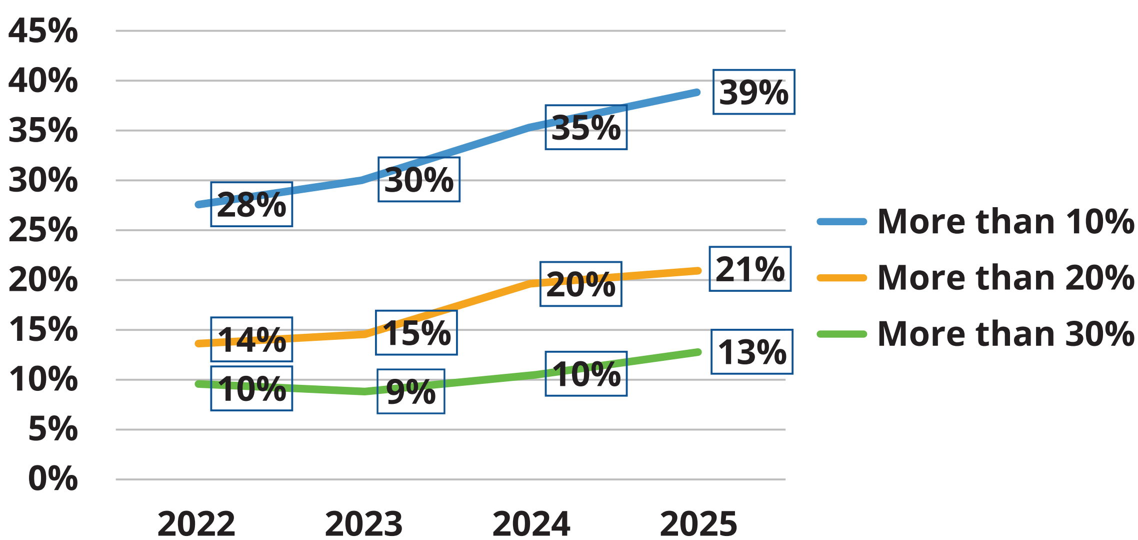
Growth strategy priorities reveal distinct competitive pressures across sectors. Industrial and electrical distributors show nearly identical profiles with 80-84% prioritizing both new customer acquisition and existing customer wallet-share expansion, suggesting mature markets where growth requires balanced execution. Gas and welding distribution demonstrates dramatically lower strategic engagement: only 42% prioritize new customer acquisition and 36% focus on existing customer growth—40-50 percentage points below industrial and electrical baselines. This pattern extends to digital investment priorities, where 88-93% of industrial and electrical distributors prioritize customer experience improvements compared to only 44% in gas and welding.

The sector's smaller average company size (75% under $50 million revenue) and specialized technical selling model suggest fundamentally different competitive dynamics where relationship-based expertise creates more sustainable advantages than transactional e-commerce convenience, though this positioning carries generational risk as even technical buyers shift toward digital-first engagement expectations.

What defines these leaders? The 2025 State of E-Commerce in Wholesale Distribution report is clear:

- **Customer experience** is their top operational priority—ranked 2.7 times higher than any other concern.
- They have solved ERP integration years ago and moved on to higher-order capabilities like personalized pricing, real-time availability, and automated quote-to-cart workflows.
- **Product data quality is owned internally** and continuously improved, with these companies often leveraging AI tools and structured governance to maintain competitive-level completeness.

Perhaps most importantly, these high performers don't see e-commerce as a cost-saving initiative. They see it as a **revenue engine.** The report shows a strong correlation between high e-commerce revenue share and strategic focus on **new customer acquisition, existing customer growth, and order volume expansion.**



Strategic Priorities: Where Resources Flow

Financial Objectives: Growth Dominates Efficiency

The survey reveals a decisive shift in how distributors prioritize e-commerce investments. When asked to rank their five highest financial priorities, respondents overwhelmingly emphasized growth objectives over operational efficiency:

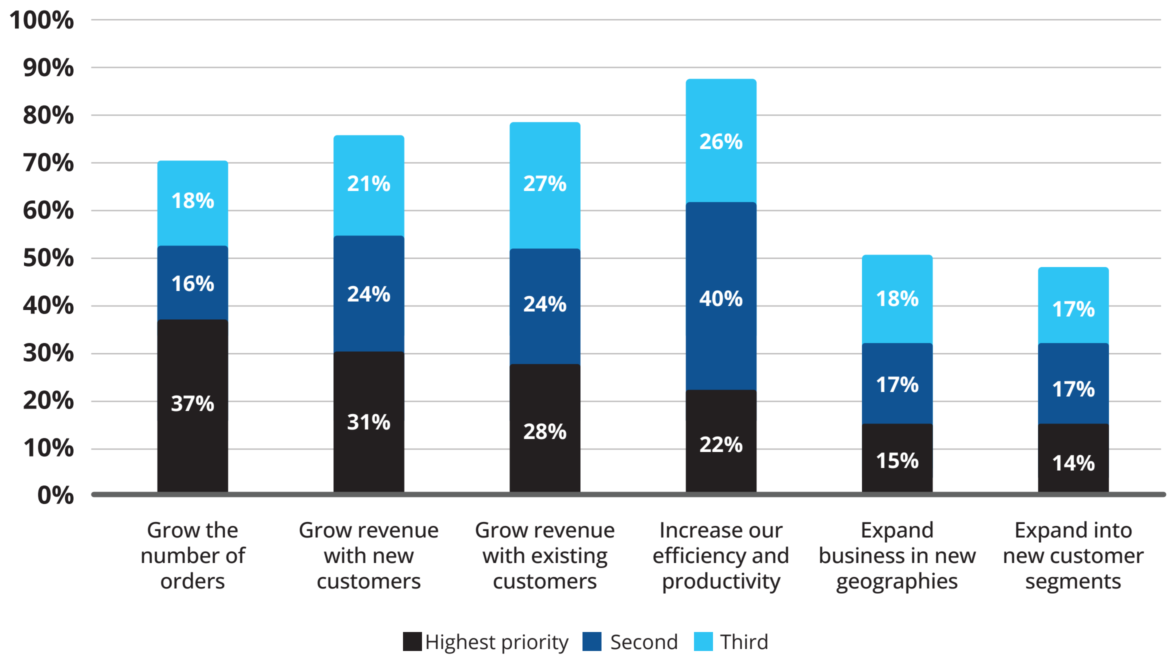


Figure 2: Financial Objectives Priority Rankings
SOURCE: Primary survey Q6 rankings, n=352 respondents with e-commerce, 2024-2025

Growing the number of orders (37.3%): The top priority reflects confidence that e-commerce can drive genuine volume expansion rather than merely shifting existing transactions to a lower-cost channel. This marks a fundamental evolution from historical views of e-commerce as primarily a cost-reduction initiative.

Growing revenue with new customers (30.6%): Competitive displacement and market expansion dominate strategic thinking. E-commerce enables geographic expansion without physical infrastructure and facilitates entry into customer segments previously uneconomical through traditional high-touch methods.

Growing revenue with existing customers (27.9%): Wallet-share expansion through improved service, broader product exposure, and enhanced accessibility remains a core objective, though ranked below new customer acquisition.

Increasing efficiency and productivity (22.4%): While still important, operational efficiency now ranks fourth. This reflects maturation: most distributors have captured available efficiencies and now focus on revenue expansion.

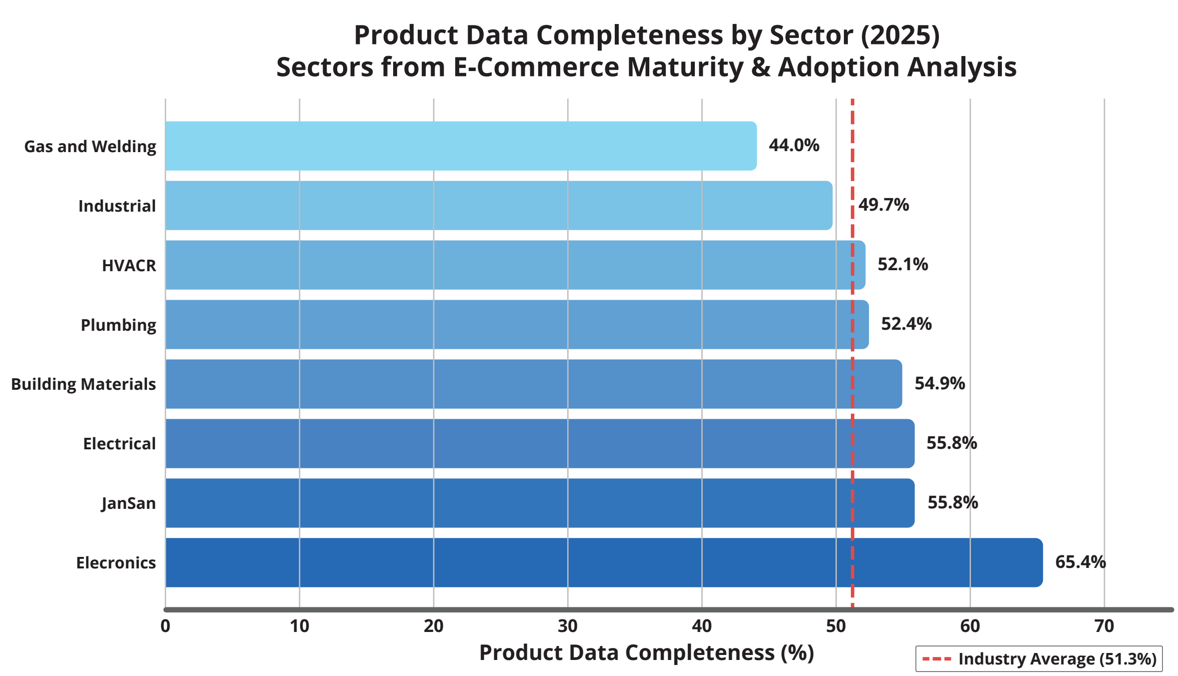
Geographic and segment expansion (14-15% each): Expanding into new geographies and customer segments ranks lower, suggesting distributors prioritize penetration in current markets over territorial expansion.

This priority structure contradicts historical assumptions that e-commerce primarily serves to reduce costs. Distributors now view digital commerce as a growth engine that expands addressable markets, improves competitive positioning, and drives volume increases rather than simply improving margins on existing business.

Product Data: The Persistent Challenge

The 51.3% Completeness Plateau

Product data completeness—defined as SKUs with full attributes, at least one image, and complete descriptions—remains stuck at 51.3% in 2025. This represents minimal improvement from 48.9% in 2024, demonstrating that the industry is not moving fast enough relative to competitive pressure and customer expectations.



SOURCE: Primary survey Q16, n=381 distributors reporting product data, 2024-2025
Note: Includes only sectors shown in E-Commerce Maturity vs. Adoption bubble chart

Sector variation reveals both competitive opportunities and structural challenges:

- Pulp and Paper (58.2%): Limited SKU count and standardized products enable higher completeness
- Electrical (55.8%): Association-provided content and manufacturer data feeds support above-average performance
- JanSan (55.8%): Product standardization and supplier cooperation drive completeness
- Hardware (55.2%): Commodity products with widely available specifications perform well
- Plumbing (52.4%): Complex product relationships and technical specifications create challenges
- HVACR (52.1%): Technical complexity and specification requirements limit completeness
- Industrial (49.7%): Massive SKU counts and diverse product categories constrain completeness

Interestingly, company size provides no advantage. The $100-$500 million revenue band shows 54% average completeness, while billion-dollar-plus operations average only 40%. Larger organizations struggle with coordination debt: multiple business units, disparate systems, vendor management complexity, and competing priorities. Smaller distributors can move faster precisely because they have fewer stakeholders and less technical debt.

Operational Priorities: Customer Experience Dominance

When asked to rank their three highest operational priorities for e-commerce, respondents demonstrated overwhelming consensus around customer experience:

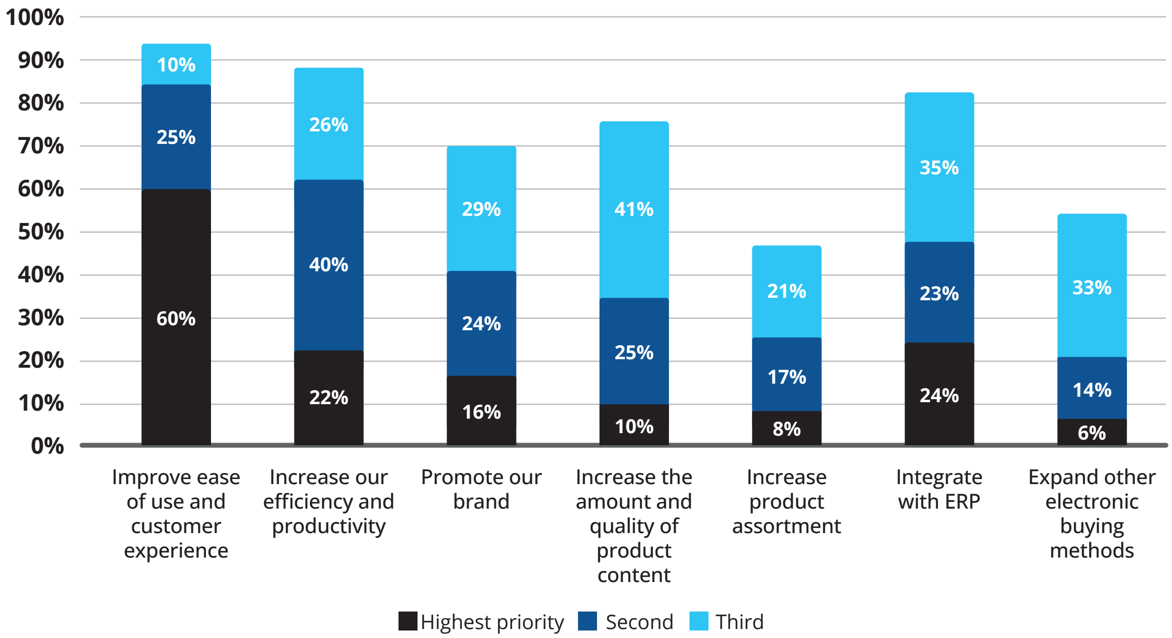


Figure 3: Operational Priorities Rankings
SOURCE: Primary survey Q7 rankings, n=310 respondents with e-commerce, 2024-2025

Improving ease of use and customer experience (59.8%): Nearly 60% of respondents ranked this as their highest operational priority—2.7 times higher than any other category. This overwhelming focus reflects industry maturity. Technical infrastructure exists, integration challenges have been solved for most distributors, and the remaining competitive differentiator is execution quality.

What constitutes superior customer experience in B2B distribution extends far beyond aesthetic website design. Logged-in customers expect account-specific pricing automatically enforced, contract terms applied without manual intervention, complete order history enabling rapid reordering, real-time inventory visibility by branch location, accurate delivery date estimates accounting for cut-off times and shipping constraints, and seamless quote-to-cart conversion. These capabilities require deep ERP integration, sophisticated business rules engines, and careful process design—not merely attractive templates.

ERP integration ranked third at 24.1%—not second. This ranking reveals critical insight: integration challenges concentrate among laggards who have not yet solved basic connectivity. Leaders completed integration years ago and moved on to higher-value priorities. Low-satisfaction distributors are 2.45 times more likely to rank ERP integration as their highest priority compared to high-satisfaction distributors.

Modern middleware, pre-built connectors, and platform-native ERP integrations have commoditized what was once a major technical hurdle. A focused 60-90 day sprint can establish core integrations: contract pricing, available-to-promise inventory by branch, order status, returns processing, and freight calculation. These essentials enable functional commerce; deeper integrations can follow incrementally.

Product content quality (9.7%): Despite its critical importance to search engine optimization and AI-powered discovery, product content ranked surprisingly low as a highest priority. This disconnect between importance and investment priority explains the industry's stagnant 51.3% SKU completeness rate.

The Ownership Advantage

Leading distributors recognize that baseline content provides catalog breadth, but competitive advantage requires enhanced data quality for strategic SKU segments. Rather than attempting perfect data across hundreds of thousands of items, successful digital operators focus intensive enrichment efforts on their top 10% of SKUs by revenue velocity, margin contribution, or strategic importance.

This "ownership advantage" strategy creates sustainable differentiation. Competitors may have access to identical baseline content from buying groups, but proprietary enhancements to high-value products—detailed application guides, comparison tools, compatibility matrices, installation videos, customer reviews, and specification sheets optimized for search—drive measurably higher conversion rates. Distributors who enhance content for their strategic SKUs report conversion rate improvements of 15-40% in those categories compared to products with only baseline manufacturer specifications.

Distributors not participating in buying group initiatives face a steeper climb. Building comprehensive product data internally requires significant investment and extends time-to-market for digital initiatives by 12-18 months compared to distributors leveraging group content. The survey data reflects this reality: 19% of industrial distributors and 24% of building materials distributors report no buying group reliance whatsoever. Whether this reflects strong internal content capabilities, specialized niches where group content doesn't apply, or potential competitive disadvantage remains sector-specific.

AI-Powered Enrichment Tools Change the Economics

New platforms use AI to dramatically accelerate product data enrichment. Systems automatically fill missing specifications, standardize naming conventions, merge duplicates, and enrich records in minutes rather than hours or days required for manual processing. These tools transform product data management from a grinding operational burden into a manageable, scalable process.

The implication: distributors can no longer justify incomplete data by citing resource constraints. The tools exist to close gaps systematically. Failure to deploy these solutions is a strategic choice to accept competitive disadvantage in an environment where AI-powered search increasingly dominates product discovery.

Channel Evolution and Marketplace Strategy

Manufacturer Channel Strategies: Gradual But Persistent Shift

Manufacturers reported their current channel revenue distribution and five-year projections, revealing gradual but directionally clear changes in go-to-market strategy:

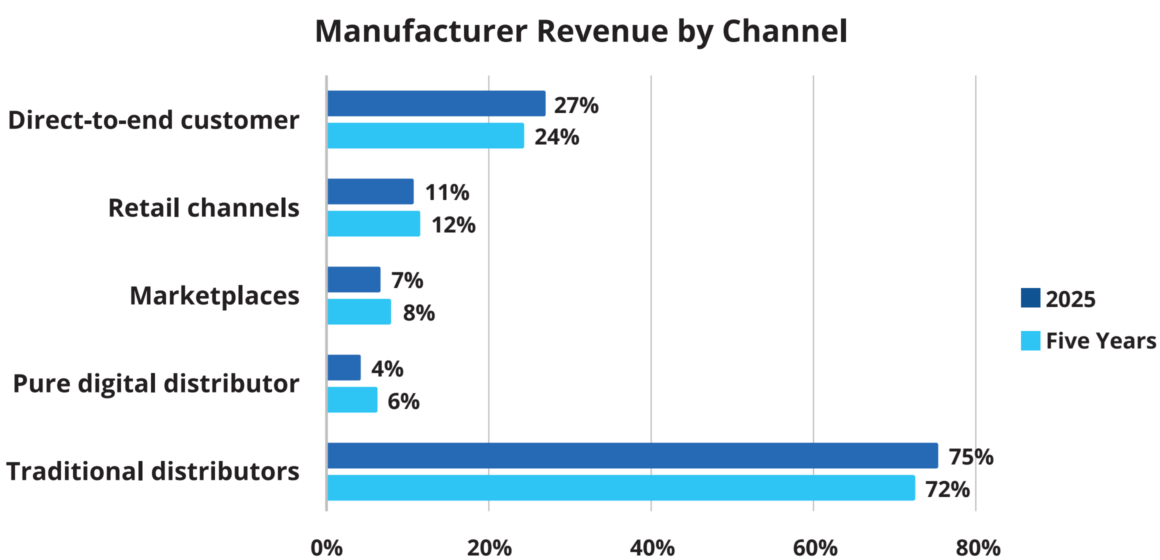


Figure 5: Manufacturer Channel Revenue Distribution (Today and Projected)
SOURCE: Primary survey Q2 and Q3, n=135 manufacturer respondents, 2024-2025

Traditional distributors: 75.2% today → 72.3% in five years (2.9 percentage point decline)

Direct to end customer: 27.0% today → 24.3% in five years (2.7 percentage point decline)

Pure digital distributors: 4.3% today → 6.4% in five years (2.1 percentage point increase)

Marketplaces: 6.7% today → 8.1% in five years (1.4 percentage point increase)

Retail channels: 11.0% today → 11.6% in five years (0.6 percentage point increase)

These changes appear incremental, but the direction is clear and momentum persistent. Traditional distributors maintain dominance at 75.2%—far higher than many industry observers predicted—but face gradual erosion. Pure digital distributors and marketplaces grow steadily. This creates ongoing margin pressure and increases demands for product content syndication, real-time inventory visibility, and digital fulfillment capabilities.

The projected decline in direct-to-customer revenue (27.0% to 24.3%) reflects manufacturers reconsidering the operational complexity and customer service burden of direct sales. Many manufacturers attempted direct-to-customer models during COVID-19 disruption but have since refocused on channel partners who provide local service, technical support, and credit management.

Marketplace Participation: Selective Strategic Testing

Distributor attitudes toward marketplace participation remain cautious but increasingly pragmatic:

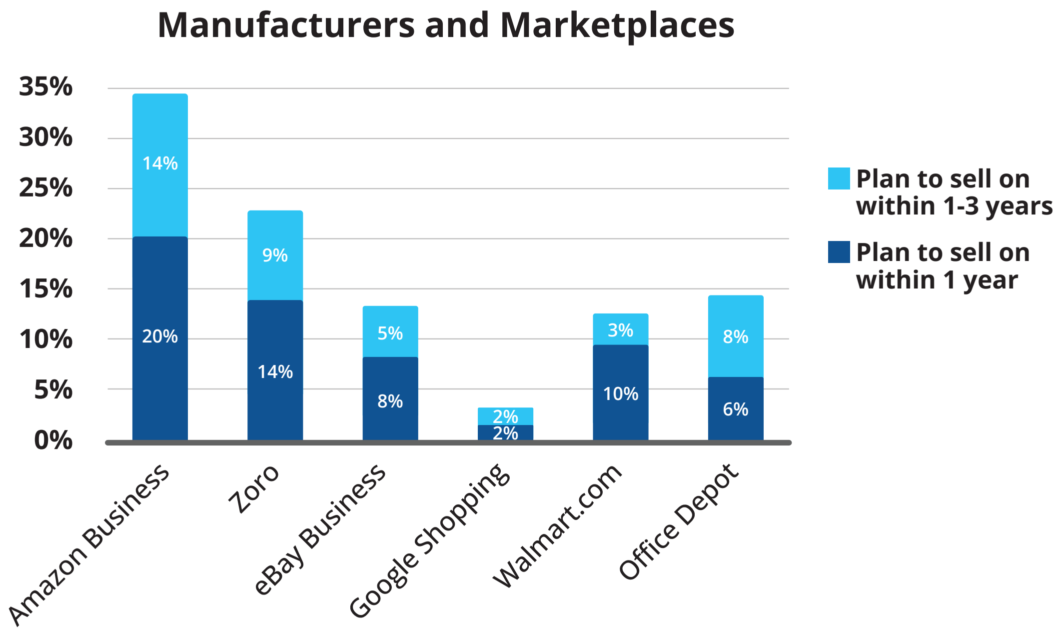


Figure 6: Marketplace Participation Plans (Within 3 Years)
SOURCE: Primary survey Q5, n=64 respondents, 2024-2025

Amazon Business dominates interest at 34.4% planning to sell within three years. This substantial minority reflects marketplace economics: compressed margins, diminished brand visibility, customer ownership transfers to the marketplace, and intensified price competition. Many distributors view Amazon Business as a customer acquisition channel rather than a core business platform—using it to gain initial exposure with new customers in unfamiliar geographies, then migrating relationships to owned digital properties where economics are more favorable.

Zoro (22.8% planning participation), eBay Business (13.3%), and Walmart.com (12.7%) show secondary traction. However, 64% of respondents report no plans to participate in Amazon Business even in the long term, reflecting legitimate concerns about margin compression and customer relationship control.

Tactical execution matters significantly. Distributors should test marketplace channels with limited SKU sets (approximately 100 carefully selected products), establish strict price floors and contribution margin guardrails, monitor results weekly, and either scale aggressively if economics prove favorable or exit quickly if margins deteriorate unacceptably. Marketplaces work for specific product categories and customer segments; treating them as all-or-nothing strategic decisions leads to poor outcomes.

Success Factors: Leaders vs. Laggards

Satisfaction Distribution

Distributor satisfaction with e-commerce investments shows clear bifurcation between leaders achieving strong results and laggards struggling with execution:

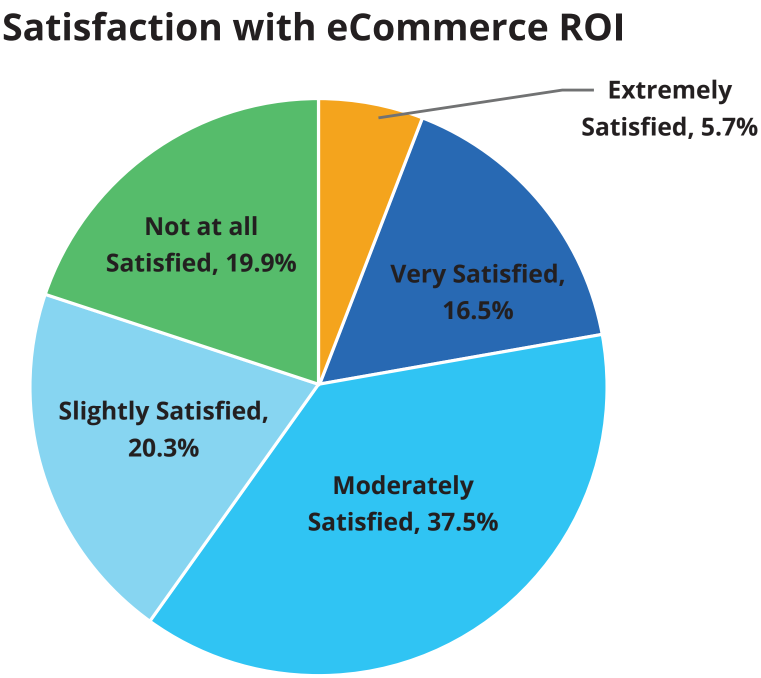


Figure 7: E-Commerce Satisfaction Distribution
SOURCE: Primary survey Q17, n=261 distributor respondents, 2024-2025

Extremely satisfied (5.7%): Small cohort achieving exceptional results, typically >30% revenue through e-commerce with strong profitability

Very satisfied (16.5%): Solid performers generating 20-30% revenue digitally with improving metrics

Moderately satisfied (37.5%): Largest group with functional platforms showing mixed results

Slightly satisfied (20.3%): Struggling with execution, typically <10% revenue despite years of investment

Not at all satisfied (19.9%): Significant minority failing to achieve objectives, often questioning continued investment

The combined 22.2% achieving high satisfaction (extremely or very satisfied) contrasts sharply with 40.2% expressing dissatisfaction (slightly satisfied or not at all satisfied). This gap reveals that e-commerce success is not randomly distributed—specific characteristics and approaches separate winners from losers.

Characteristics of High-Satisfaction Distributors

High-satisfaction distributors—those reporting extremely or very satisfied with results—share common characteristics that provide a clear roadmap for improvement:

Revenue Performance: Generate approximately 27% of total revenue through e-commerce compared to 13.5% industry average—double typical performance. This revenue concentration reflects successful customer migration and habitual platform usage rather than isolated transactions.

Customer Experience Focus: Rank customer experience and ease of use as their dominant priority (59.8% vs. 22.4% for next priority). ERP integration is resolved and no longer concerns leadership. Technical infrastructure challenges have been overcome; focus shifts to continuous experience improvement.

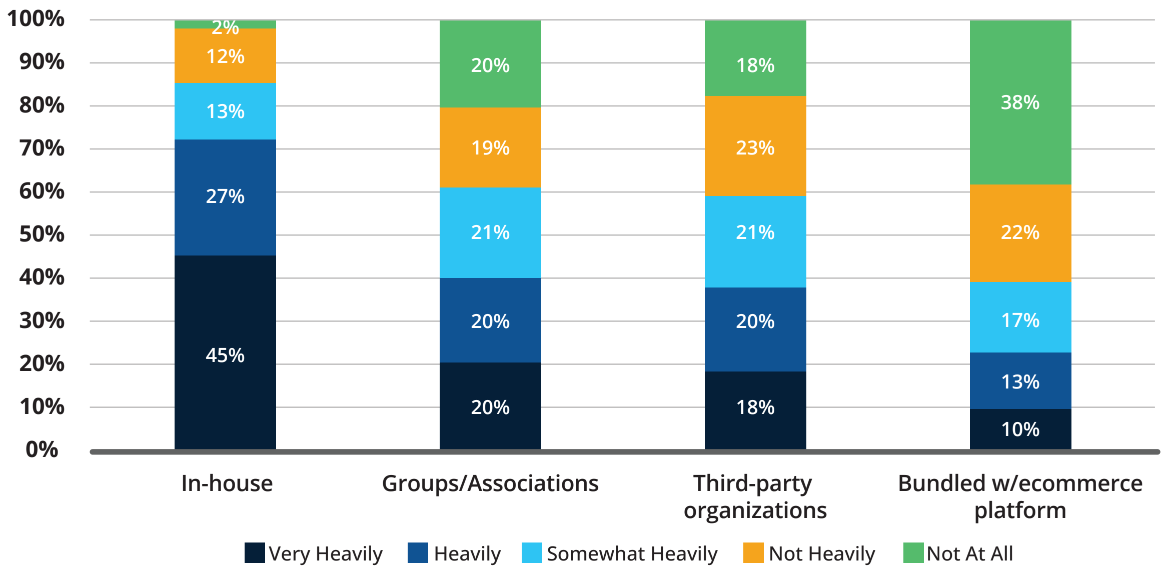
Product Data Ownership: Rely heavily on in-house product data management, taking direct accountability for completeness and quality. While they leverage external enrichment services, internal teams own taxonomies, standards, and quality thresholds.

Time Horizon: Most launched e-commerce initiatives before 2020. Digital excellence requires sustained investment over multiple years—there are no shortcuts to maturity. Recent platform launches rarely achieve high satisfaction within first two years.

Growth Orientation: Emphasize growing revenue with new customers and existing customers over efficiency improvements. They have moved beyond viewing e-commerce primarily as cost reduction and now leverage it for market expansion.

Product Data Sources and Reliance Patterns

Distributors employ multiple product data sources, with varying reliance levels that significantly impact e-commerce satisfaction. Survey respondents indicated their reliance on four primary data sources:



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In-house management dominates:
45% of distributors rely very heavily on in-house product data management, with an additional 27% relying heavily—representing 72% combined heavy reliance. This internal focus correlates strongly with e-commerce satisfaction. Distributors with very heavy in-house reliance show approximately 3X higher satisfaction rates compared to those depending primarily on external sources.

Groups and associations provide secondary support:
20% very heavily and 20% heavily rely on industry groups and associations for product data—representing 40% combined. However, 20% report no reliance at all, indicating bifurcated adoption. Associations like NAED (electrical), ASA (plumbing), and HARDI (HVACR) provide valuable manufacturer data feeds, but distributors must still govern data quality internally.

Third-party organizations show mixed adoption:
18% very heavily and 20% heavily rely on third-party product data services—representing 38% combined. These specialized providers offer enrichment services, standardized taxonomies, and AI-powered content generation. However, 18% report no reliance at all, suggesting many distributors have not yet discovered or adopted these tools.

Platform-bundled data shows lowest adoption:
Only 10% very heavily and 13% heavily rely on product data bundled with e-commerce platforms—representing just 23% combined. Meanwhile, 38% report no reliance at all. This reflects platform limitations: bundled data typically provides generic content unsuitable for technical B2B products requiring precise specifications.

The optimal model combines heavy in-house governance with selective external enrichment. High-satisfaction distributors own the master data architecture, taxonomies, and quality standards while leveraging associations and third-party services to accelerate content creation and maintain currency. This hybrid approach delivers control with scalability.

Marketing Effectiveness: What Drives E-Commerce Demand

Understanding which marketing vehicles most effectively drive e-commerce demand enables strategic resource allocation. Survey respondents ranked the effectiveness of eleven marketing channels, revealing clear patterns that challenge conventional digital marketing assumptions:

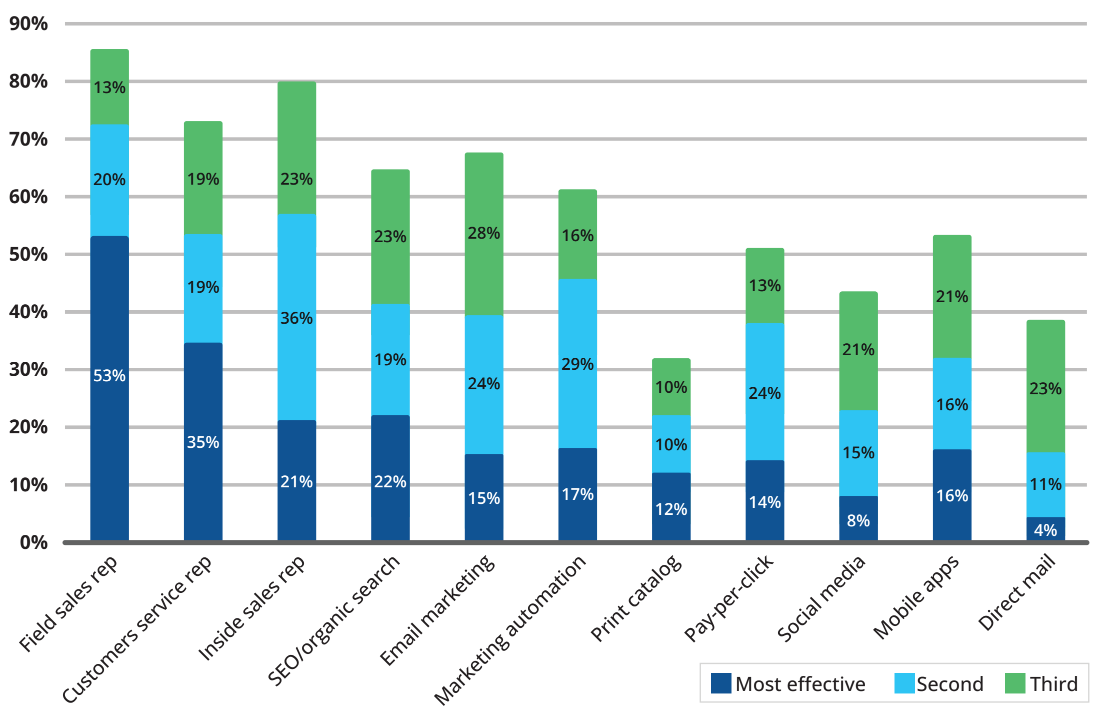
People Dominate Digital: The Sales Force Advantage

The Critical Role of Sales Force Engagement

People remain the most effective driver of e-commerce adoption. Field sales representatives, inside sales teams, and customer service representatives who actively encourage customers to use digital tools drive significantly more adoption than any form of digital marketing.

This finding challenges the common misconception that e-commerce is primarily a marketing problem. Marketing generates awareness and drives initial traffic, but sales force engagement converts interest into habitual usage. The most successful distributors compensate salespeople for all e-commerce revenue generated by their accounts, eliminating channel conflict. They train representatives to demonstrate platform capabilities, show customers how to place orders efficiently, and position digital tools as value-added services rather than threats to relationships.

Conversely, sales force resistance kills e-commerce initiatives. If representatives perceive the platform as a threat to commissions or relationships, they will actively discourage adoption. Addressing compensation structure and communicating the business case to sales teams is not optional—it is prerequisite to success.



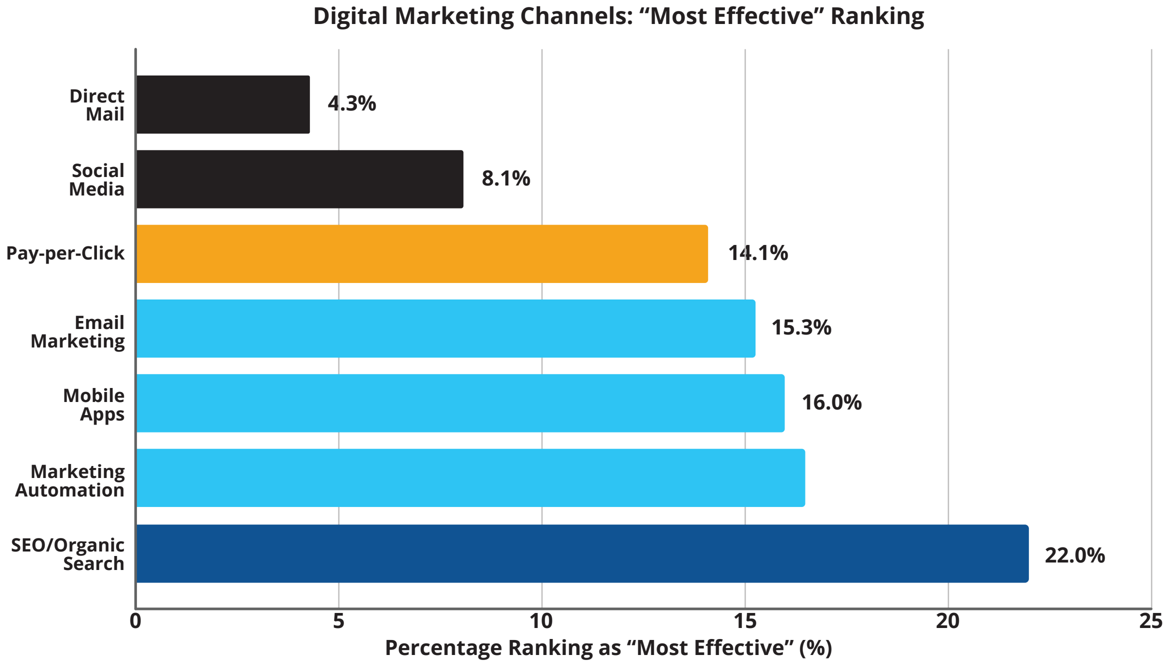
Field sales representatives rank as most effective by overwhelming margin: 53.1% of respondents ranked field sales reps as the most effective driver of e-commerce demand—2.5 times higher than any other channel. An additional 19.6% ranked field sales second, and 12.9% ranked it third, demonstrating consistent effectiveness across respondents. Combined, 85.6% ranked field sales in their top three most effective channels.

This finding directly contradicts the assumption that e-commerce is primarily a digital marketing challenge. People remain the most effective demand drivers. Field representatives who understand customer operations, demonstrate platform capabilities, and position digital tools as value-added services convert interest into habitual usage far more effectively than any form of digital advertising.

Customer service representatives rank second in effectiveness: 34.7% ranked customer service reps most effective, with an additional 18.8% ranking them second. Service representatives handle high-frequency customer interactions and can naturally redirect routine inquiries to self-service tools. Their effectiveness reflects consistent touchpoints and trusted relationships that digital channels cannot replicate.

Inside sales representatives provide third-tier effectiveness: 21.2% ranked inside sales most effective, but 35.8% ranked them second—the highest second-place ranking across all channels. Inside sales teams blend personal relationships with digital efficiency, making them particularly effective at migrating phone-order customers to online ordering.

Digital Marketing Channels: Supporting Roles, Not Primary Drivers



SEO/organic search ranks fourth: 22.0% ranked SEO/organic search as most effective, with relatively balanced distribution across all five ranking positions (19.5% second, 23.3% third, 17.0% fourth, 18.2% fifth). This balanced distribution suggests SEO effectiveness varies significantly by sector, product complexity, and customer search behavior.

Email marketing shows moderate effectiveness: 15.3% ranked email marketing most effective, with strongest performance in second and third positions (24.3% and 28.2% respectively). Email remains valuable for customer retention and reorder reminders but rarely drives initial e-commerce adoption.

Social media ranks near bottom: Only 8.1% ranked social media as most effective, with 34.2% ranking it fifth (least effective). B2B wholesale distribution customers rarely discover suppliers or place orders through social channels, though social media may support brand awareness and thought leadership objectives.

Direct mail ranks lowest: Just 4.3% ranked direct mail as most effective, with 41.4% ranking it fifth. While print catalogs maintain niche value in certain sectors (12.0% most effective), direct mail has largely been displaced by digital communications.

Strategic Implications for Marketing Resource Allocation

These effectiveness rankings provide clear guidance for marketing budget allocation and organizational priorities:

Compensate sales force for e-commerce revenue: Field sales effectiveness depends entirely on proper compensation alignment. Representatives must receive full credit for e-commerce revenue generated by their accounts, eliminating channel conflict. This single change drives more e-commerce adoption than any digital marketing campaign.

Train customer-facing teams on platform capabilities: Customer service and inside sales teams need systematic training on e-commerce platform features, navigation, and value propositions. Equip them to confidently demonstrate self-service capabilities and address customer hesitations.

View digital marketing as supporting role, not primary driver: SEO, email marketing, and pay-per-click advertising support demand generation but rarely convert customers to habitual e-commerce users. These channels work best when coordinated with sales force initiatives.

Redirect social media budgets toward sales enablement: Given social media's low effectiveness ranking, distributors should critically evaluate social marketing investments. Resources may generate better returns when redirected toward sales force training, compensation alignment, and CRM tools that enable digital selling.

Maintain SEO and email as foundational capabilities: While not primary drivers, organic search and email marketing remain essential for customer research and retention. Ensure these foundational channels function well while recognizing they supplement rather than replace personal selling.

The overwhelming effectiveness of person-to-person channels (field sales, customer service, inside sales) challenges the digital marketing orthodoxy that pervades e-commerce discussions. Successful distributors recognize that e-commerce is not a marketing problem to be solved with digital advertising budgets—it is an organizational change initiative that requires sales force engagement, compensation alignment, and cultural transformation. Digital marketing tools support this transformation but cannot substitute for it.

Artificial Intelligence or Human Expertise
What's the Right Mix to Manage Your Inventory?
No surprise. You need both.
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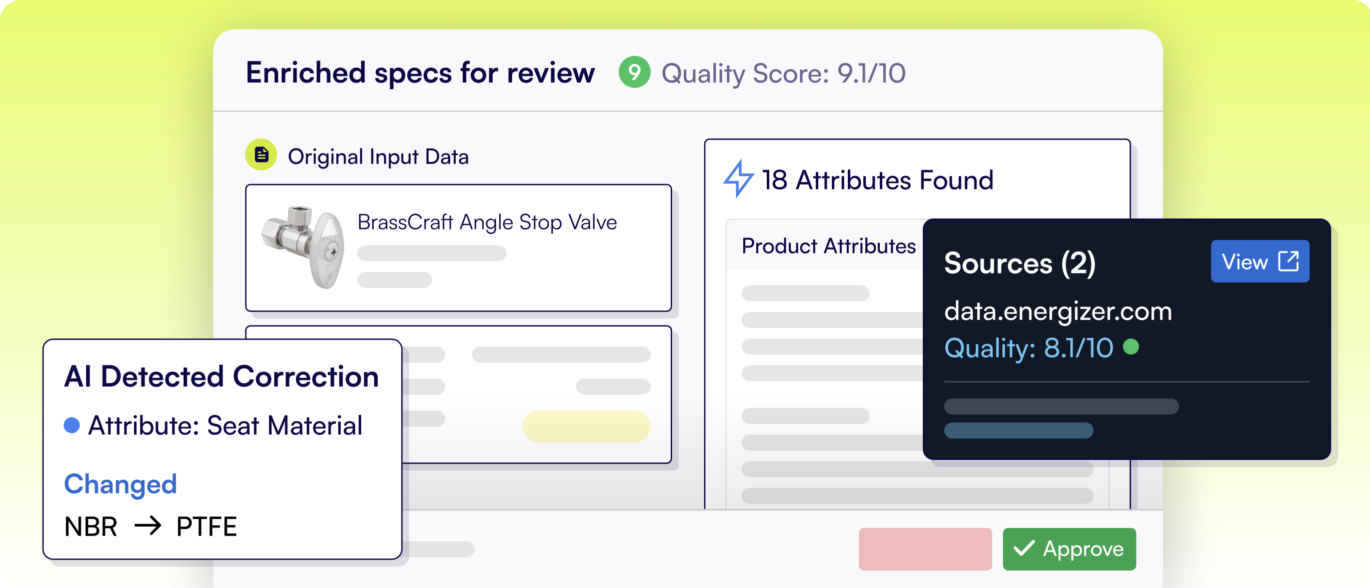
SOLUTIONS FOR: Automotive | Building Supply | Distribution | Manufacturing | Retail

Proton PIM ✦ Clean, complete product data without hours of manual enrichment



$ Why good data is so costly today

Your team spends **1–2 hours per SKU** chasing specs and fixing data by hand. That's **expensive work** for something a machine should do.

✦ How Proton PIM helps

It **automates** enrichment, normalizes attributes, and refreshes your catalog on a schedule—so **product data** is consistent, trusted, and **ready to drive growth.**

The Proton PIM transformation

BEFORE

- 1–2 hours of manual work per SKU
- Chasing vendors for missing specs & images
- Duplicate attributes and messy naming
- Spec changes lead to returns and lost revenue

AFTER

- SKUs enriched in minutes, not hours
- Verified attributes and images auto-enriched
- Clean, standardized schema your team can trust
- Scheduled refreshes catch changes before they impact sales

Learn more at proton.ai/pim