



# Accelerating B2B payments

A guide to growing  
e-commerce sales





# Contents.

Navigating the B2B e-commerce landscape.	3
Why payment modernisation is a must for B2B.	4
Five tips to help grow B2B sales with modern payments.	6
Empower your payments future with a trusted partner.	12

**This eBook covers five areas to target for growing B2B sales.**

- **Real-time and multichannel payments.**
- **Risk management.**
- **Checkout optimisation.**
- **Payment option expansion.**
- **Operational efficiency.**



## Navigating the B2B e-commerce landscape.

B2B commerce has undergone significant changes in recent years, with the emergence of digital commerce platforms, shifting buyer behaviours and global economic trends.

As more buyers become accustomed to the convenience and immediacy of online shopping, B2B companies are following suit. This represents a huge opportunity for businesses that can leverage e-commerce technologies to reach new customers and streamline their sales processes.

To aid success, B2B businesses should aim to strategically navigate these behaviour changes. So, it is more important than ever for B2B sellers to lead with digitalisation and keep the customer experience at the forefront.

With more than 25 years of industry-leading payment expertise, PayPal is a familiar and trusted brand for consumers and B2B buyers alike. Read on to learn why PayPal is the strategic growth solution your business needs to accelerate B2B sales and thrive in today's digital world.





## Why payment modernisation is a must for B2B.

Digital transformation goes beyond simply establishing an online presence; it's about upgrading business processes to drive efficiencies and meet customer expectations. In the B2B world, this also means modernising payments to speed up transactions, mitigate risk and create better checkout experiences.

Some B2B payments, however, are still stuck in the past. Cumbersome processes are prevalent, leading to problems including failed payments, wasted admin time, high risk around cash flow and potential data security issues. These internal challenges have a knock-on effect on frustrated customers who often face lengthy checkouts, a lack of preferred payment options or errors in the payment process.

**e-commerce is one of the most effective sales channels for B2B, yet many companies are leaving orders on the table. B2B buyers cite technical issues faced at the checkout as the #1 reason for abandoning their baskets.<sup>1</sup>**

It's time for B2B organisations to consider payment modernisation a "must-have" and a strategic lever to unlock business growth.





# Common payment challenges can negatively impact B2B revenue.



## Payment security

The complexity of B2B transactions makes it an easy target for fraudsters and complicates fraud detection, increasing the liability for businesses.



## High processing costs and complexity

The frequent nature of B2B transactions can lead to substantial processing fees, especially for multiple currencies, which also adds to the operational burden.



## High basket abandonment

Technical glitches, complicated checkout process, and lack of payment options can frustrate B2B buyers and lead to basket abandonment.



## Extended billing cycles

Typical payment terms in B2B transactions can range from 30 to 90 days, which can severely impact cash flow and financial planning.



## Manual processes

Many B2B payments are still processed manually, which is time-consuming, error-prone and costly.



## Compliance and regulatory hurdles

Verifying and authenticating different business entities, along with adhering to various tax and payment-related regulations can cause regulatory headaches for B2B businesses.

## Five tips for growing B2B sales with digitised payments.

Today's buyers demand more than just the ability to make payments online. They expect a frictionless and secure experience with multiple payment options, and this applies to both B2C and B2B customers.

More traditional payment methods like cash, invoices and direct debit are giving way to flexible, real-time digital solutions that accelerate cash flow, enhance buyer convenience, drive operational efficiencies and reduce cost.

And the proof is in the numbers. There are now more than 4.2M active UK business accounts which already buy and sell with PayPal. That's a large ecosystem of businesses that have already accumulated balances from selling goods and services online – now ready to use on a website that accepts PayPal. So, the more streamlined, trusted and flexible your digital transactions are, the more revenue and conversions you could see.

Tap into the flywheel effect with PayPal's ecosystem of more than **4.2M active UK business accounts** which already buy and sell online.



# Tip #1:

## Collect payments faster.

Traditionally, B2B companies have relied on payments via direct debit, cash, long credit terms or paper invoices which led to long payment cycles and hindered cash flow. Processing paper invoices can be time-consuming and an administrative burden, while handling cash can also cause security risks.

By providing the means to pay online via debit and credit cards and digital wallets, you could not only get your funds more quickly but also increase transaction transparency and give customers more control over their finances.









Beyond improved cash flow, instant payments could deliver greater operational efficiencies. Reducing manual work and multiple reconciliation tasks with automatic settlements frees staff to work on more business-critical tasks. The ability to update systems and complete sales could instantly provide a better end-to-end experience for B2B buyers. Instant payments could also allow B2B companies to access robust, instant reporting and in-the-moment control over risk exposure.

## Why PayPal.

PayPal provides a fast and secure method for B2B organisations to accept payments from their customers globally and through various channels, including online transactions, invoices and mobile payments.

You can accept and process payments using the PayPal Wallet, credit and debit cards, bank accounts, popular digital wallets (including Apple Pay), and more than 20 alternative and localised payment methods, all packed neatly into our enterprise payments platform.

Plus, PayPal UK merchants are eligible to apply for business funding with PayPal Working Capital,<sup>2</sup> which is a cash advance based on their PayPal sales and provides a convenient way to manage finances. Funds can be used for whatever their business needs, including cash flow, inventory purchases, equipment upgrades, or marketing campaigns.

Batch processing	PayPal's real-time payments
 Delayed reporting on failures	 Instant re-attempts on other payment methods in the PayPal Wallet upon initial failure
 Manual settlements	 Automatic settlements
 More late payments	 Real-time payment reporting
 Increased collections costs	 Decreased operational costs

<sup>2</sup> Eligibility criteria and product details can be found on the PayPal Working Capital page <https://www.paypal.com/uk/business/financial-services/working-capital>.





## Tip #2:

### Reduce declined transactions.

Legacy batch payment processing is fraught with problems in today's 'get-it-now' world. It could lead to increased risk of declines and late payments which can negatively impact cash flow and revenue. It is estimated that the average e-commerce business sees more than 1 in 10 online transactions failing.<sup>3</sup>

### Why PayPal.

PayPal's real-time processing and digital wallet capabilities can help to identify many payment issues immediately. PayPal will retry the payment from the customer's other linked payment methods, ensuring transactions are approved at a higher rate and more often on the first try.

**PayPal can increase  
authorisation rates by  
4.9 percentage points.<sup>4</sup>**

3 Pymnts, November 2023, Fraud Management, False Declines and Improved Profitability.

4 Comparative analysis of major global payments network and PayPal internal data from transactions over a 12-month period from Q4 2020-Q3 2021 in 8 markets (US, UK, DE, AU, FR, IT, ES, CA) across 12 verticals. Does not include transactions from local networks.



# Tip #3:

## Offer seamless checkout experiences.

Customers want to pay on their terms – how, when, and where it's most convenient for them. B2B buyers expect the same flexibility and choice when buying for their business as they do when shopping as a consumer online. Meeting the needs of your buyers can result in more on-time payments for your business – and more revenue.

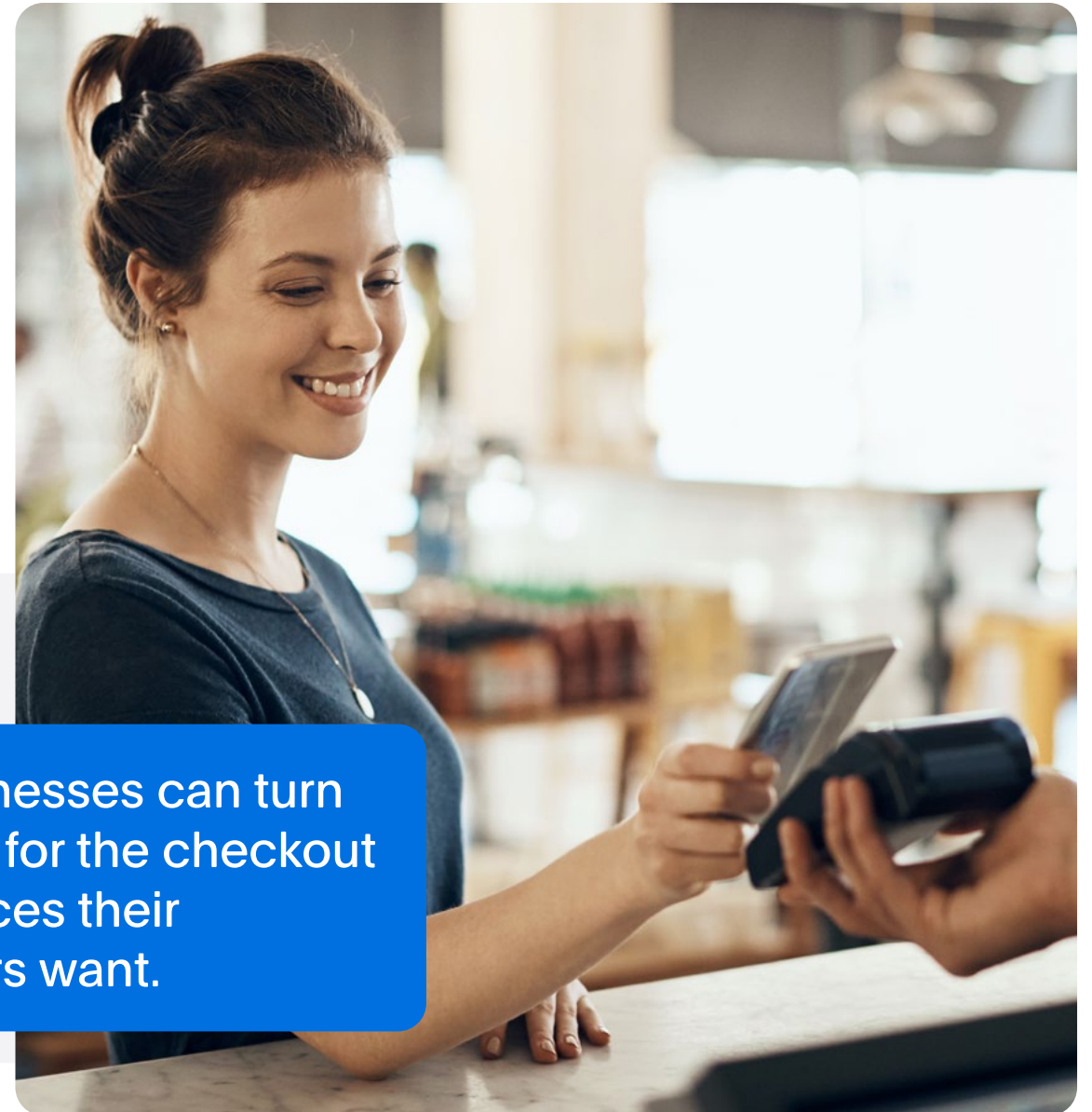
Streamlining the checkout process with automated, digital-first experiences is key to reducing abandonment rates and improving conversion rates. Any point of friction in your checkout could lead to basket abandonment – and customers may not return, particularly if they don't feel confident in the security of available payment options.

## Why PayPal.

PayPal has designed a streamlined, user-friendly checkout experience that empowers customers to seamlessly complete their transactions. By doing so, we can help to reduce cart abandonment rates, elevate the overall payment experience and give your buyers more reasons to keep coming back.

Whether your customers are SMBs or sole traders, based in the UK or abroad, you can provide them with a choice of payment options – all through a single integration.

**B2B businesses can turn to PayPal for the checkout experiences their customers want.**





## Tip #4:

### Drive operational efficiencies.

Although the cost of keeping up with new technology can be high, the cost of outdated payment infrastructure and legacy processes could be higher. Think about all payments still manually processed in your business and their knock-on effect on available resources and timelines. Businesses need to embrace modern, customisable payment solutions that can help reduce tech debt and optimise resources without adding complexity.

PayPal can help you optimise your payment processes and focus on what matters most – growing your business.

## Why PayPal.

With PayPal, you can simplify and connect your front- and back-end systems to reduce reliance on multiple vendors, tech debt and reconciliation resources.

By consolidating payment systems into a unified platform, your business can streamline operations, reduce costs associated with declined transactions and manual reconciliations, and improve overall efficiency.

Our real-time reporting and analytics tools empower businesses to monitor transaction performance across different regions, allowing data-driven decisions for global expansion. This means you can make strategic choices with confidence, maximising your market presence and profitability.



# Tip #5:

## Mitigate risk and drive compliance.

Protecting your B2B business from fraud and regulatory issues is essential in today's digital landscape and, understandably, implementing transformative digital change may give rise to concern over potential fraud and security breaches. The threat of fraud spans across all business sizes, with 65% of companies acknowledging their battle with B2B payment fraud.<sup>5</sup>

### Why PayPal.

PayPal has been powering e-commerce payments for over 23 years. Underpinned by decades of data-driven insights, PayPal provides advanced fraud detection tools that help safeguard organisations against fraudulent activities and ensure regulatory compliance.

We could help you protect your revenue by increasing your approved transactions. We leverage our unique dataset of customer transactions, accepting more genuine customers. And with a range of options from built-in basic checks to fraud tools, you can choose the level of protection you need and avoid overpaying for unnecessary features.

Even better? It is all available in your existing integration.







## Empowering your payments future with a trusted payment provider.

Today's PayPal is so much more than a button: we have been revolutionising commerce globally for more than 25 years. With PayPal, B2B businesses can gain a single point of entry to PayPal's technologies, global financial networks, and data insights to help unlock new sources of revenue.

Our holistic solution includes orchestration capabilities as well as full-stack payment processing, central vaulting and fraud services – all through one unified integration.

By choosing PayPal, you'll experience a range of benefits that could translate to reduced costs, streamlined operations, and amplified growth opportunities.

**25** years of experience in digital payments.

**#1** PayPal is the preferred online payment service in the UK.<sup>6</sup>

**4.2M** active UK business accounts, and 25M consumer active accounts.<sup>7</sup>

# PayPal is trusted by many B2B organisations worldwide

## Let's talk

Start the conversation and learn how PayPal's enterprise solutions can help you achieve your key business goals.

Get in touch today



Any information provided is general only and does not take into account your objectives, financial situation or needs.