

# Empowering Brands to Embrace the E-Commerce Evolution

## HOW TO STAY AHEAD IN AN INDUSTRY THAT'S CONSTANTLY IN FLUX

If there's one challenge every online seller faces, it's this: The e-commerce industry is in a constant state of evolution. Consumers are more tech-savvy and informed than ever before, and they're continually adopting new methods for online buying. As a result, a whole new set of doors has been opened to manufacturing brands. Once tethered largely to wholesale and resale, brands can now choose from a variety of effective sales channels.

With many standard distribution channels struggling to adapt — traditional retailers have recently **closed more than 9,300 stores** — taking advantage of new inroads is more important than ever.

Of course, leveraging authorized resellers while simultaneously selling direct to consumers doesn't come without its challenges. There are now millions of sellers competing on billions of products across hundreds of global marketplaces and retail sites. For manufacturers to win sales, it's imperative to stay several steps ahead of the latest trends and technologies.

### WHY READ THIS REPORT

As e-commerce continues to evolve at a rapid rate, manufacturers are faced with what's arguably the biggest challenge yet: How to create meaningful connections with consumers while simultaneously maintaining relationships with retailers and minimizing channel conflict.

It may be new territory, but armed with the right knowledge and tools, it's possible to manage the complexity and turn overwhelm into advantage. In this white paper, we cover four critical factors that should be on every brand's radar, along with strategies and tools for addressing them effectively:

- ▶ Connections with consumers
- ▶ Maximizing marketplaces
- ▶ Relationships with retailers
- ▶ The quality of product content

# Connections With Consumers

Among the many changes and transitions brought about by e-commerce, one trend has had a more significant impact on manufacturers than perhaps any other shift in recent years: Consumers often **prefer you over your retailers**.

- 55% of consumers **prefer to buy directly from brands** rather than multi-brand retailers
- More than half of consumers **opt to visit brand websites over retailer sites** because they offer more comprehensive information and guides
- 40% of consumers expect that more than **40% of their spending will go toward direct-to-consumer brands** by 2023

However, there is a catch: As e-commerce continues to evolve at a rapid pace, consumers are empowered with countless options to discover and buy products online. They're charting increasingly complicated paths to online purchases, and expect brands to meet their needs no matter where they shop.

For example: An estimated 61% of shoppers go straight to Amazon **when researching a brand**, while just 51% will turn to a retailer's website. Some purchase **products they see on Facebook or Instagram**, while others turn to Google to ask "Where can I buy?" and find out "What's near me?"

No matter what their personal preferences may be, consumers want to see a strong presence and have a seamless experience. To that end, most consumers rely heavily on online reviews — and they're unforgiving of the brands that don't take them seriously. One recent survey found that an astounding 95% of digital shoppers **distrust brands that delete negative reviews**, and that 81% mistrust companies with no reviews. The opposite view is held of brands that have built up banks of positive online reviews.

Prioritize your shoppers' needs for information, and they'll give you more of their confidence and trust.



## THE SOLUTION

Any manufacturer that wants to create meaningful relationships with consumers will need to be prepared to meet ever-evolving expectations across a wide range of channels. Key areas to focus on include:

- 🔍 **Reviews and ratings.** Consumer reviews **influence the purchasing decisions** of 95% of shoppers. How well you've taken care of just one customer can impact buying decisions for nearly a hundred others. Generally speaking, your top focus should be on maintaining positive reviews and ratings everywhere you sell — and on responding swiftly and satisfactorily to any negative ones.
- 🔍 **Comprehensive digital advertising.** From **Facebook and Instagram advertising** to Google Shopping, and from retargeting to marketplace promotions, streamlining your campaigns into one consolidated strategy can help ensure your customers are getting the information they need at every touchpoint.
- 🔍 **The Amazon Brand Store.** If you sell direct to consumers on Amazon, the **Amazon Brand Store** is a must. This often-overlooked feature is a great way to get your products in front of more people. It lets you tell compelling stories about your brand, and gives shoppers even more reason to choose you over competitors.

# Maximizing Marketplaces

When brands consider listing on e-commerce marketplaces, the first thought is often Amazon — and with good reason. For years, Amazon has been the shopping destination of choice for millions of consumers worldwide.

However, these are far from your only avenues for growth. For example, did you know that Walmart Canada gets **more than 23 million unique visits** each month? Or that UntilGone's average seller sees \$50,000 to \$100,000 a month in gross merchandise value (GMV)? There's also Bluefly for high-end designer brands, Dealbar for baby products and Fullbeauty for plus-size clothing. From the increasing popularity of emerging e-commerce channels to the success of niche options for reaching highly targeted customer segments, diversifying your marketplace presence is crucial — whether it's through your own seller account, partner retailer accounts or both.

If you decide to get serious about growing an e-commerce business through direct-to-consumer channels, marketplace expansion is an important consideration. Successful sellers have been known to increase gross sales by as much as **1,250%** simply by extending beyond major marketplaces to list on others such as Rakuten, Sears and Newegg.



## THE SOLUTION

By managing the full scope of activities across multiple marketplaces from within one centralized platform, it's exponentially easier to maintain a strong presence across a wide range of channels. For instance, you can:

- **Streamline promotions and digital marketing** by building, managing and measuring campaigns from within one consolidated interface. For example, by relying on the ChannelAdvisor platform to build a strategic Amazon Sponsored Products campaign, one manufacturer **increased marketplace sales by 10%** in three months. Another **increased revenue 68%** by leveraging the platform to expand digital marketing.
- **Increase sales with centralized marketplace management** that allows you to take advantage of the full scope of selling features. Using a platform built around a single integration point makes it easy to simultaneously manage product data, inventory, orders and more on over 100 marketplaces around the globe. The ability to automate marketplace repricing alone has helped sellers **increase gross profits 46%**.
- **Compete on fulfillment by engaging a third-party logistics provider** capable of two-day shipping from multiple locations. Carefully **vetting 3PL providers** to find a true expert you can trust to warehouse, pick, pack and ship your goods — and provide exceptional customer experiences in the process — will allow you to truly make the most of every marketplace opportunity.

# Relationships With Retailers

As you consider your options for connecting with consumers, it's important to keep retailers top-of-mind. Yes, the past decade has brought about new opportunities that go beyond working with authorized retailers. But this ability to meet consumers everywhere they shop online doesn't come without complications and risks.

As you weigh the pros and cons of strengthening direct-to-consumer relationships on marketplaces and other channels, sensitivity to partners will be highly important. This is one of the biggest and most common challenges brand manufacturers face today — particularly those who have sold exclusively through distribution partners in the past.

On the one hand, selling direct to consumers and expanding your presence on e-commerce marketplaces may be what's best for your brand. At the same time, you don't want channel partners to think you're trying to "go around" them or don't care about existing relationships.

That's why the experts at ChannelAdvisor recommend taking time to regularly revisit relationships with retailers and distributors. When new transitions in the e-commerce landscape lead you to develop new business models, communicate those changes and explain what the impacts may be for your existing partnerships. Whether you decide to get strict with pricing policies and content standards or opt to send more consumers to authorized retail listings, make sure your partners know what's expected of them.

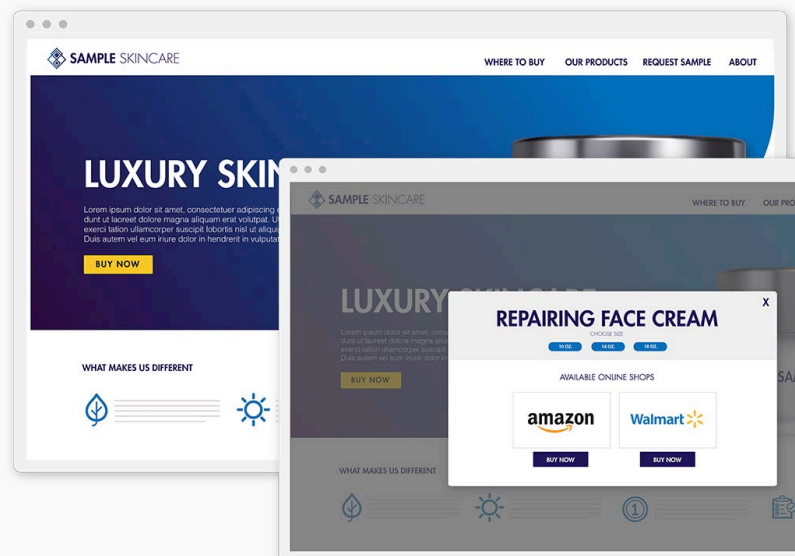


## THE SOLUTION

When it comes to strengthening relationships within an increasingly complex e-commerce world, automation is key. Several automated solutions to consider include:

➤ **Retail Content Management** makes it easy to create, store and map content to retailers' product templates. The technology works by using lookup lists and business rules to take raw product data and have it automatically optimized to meet the required specifications for each retail site. This type of automation is especially useful for brands that need to **convert product content for a wide array of retail sites**.

➤ **Where to Buy Technology** provides a seamless connection from your own e-commerce site to your authorized retailers' product pages or shopping carts. This technology can be used to not only strengthen relationships with retailers, but increase your chances of landing more sales as well.



# Quality of Product Content

In today's e-commerce environment, it's not just what brands are selling but how they're attracting customers to their products that matters. Today's empowered customers expect rich, relevant, continually updated content to help them through each step of the consumer journey, regardless of purchase touchpoint. For this reason, content quality is becoming increasingly important.

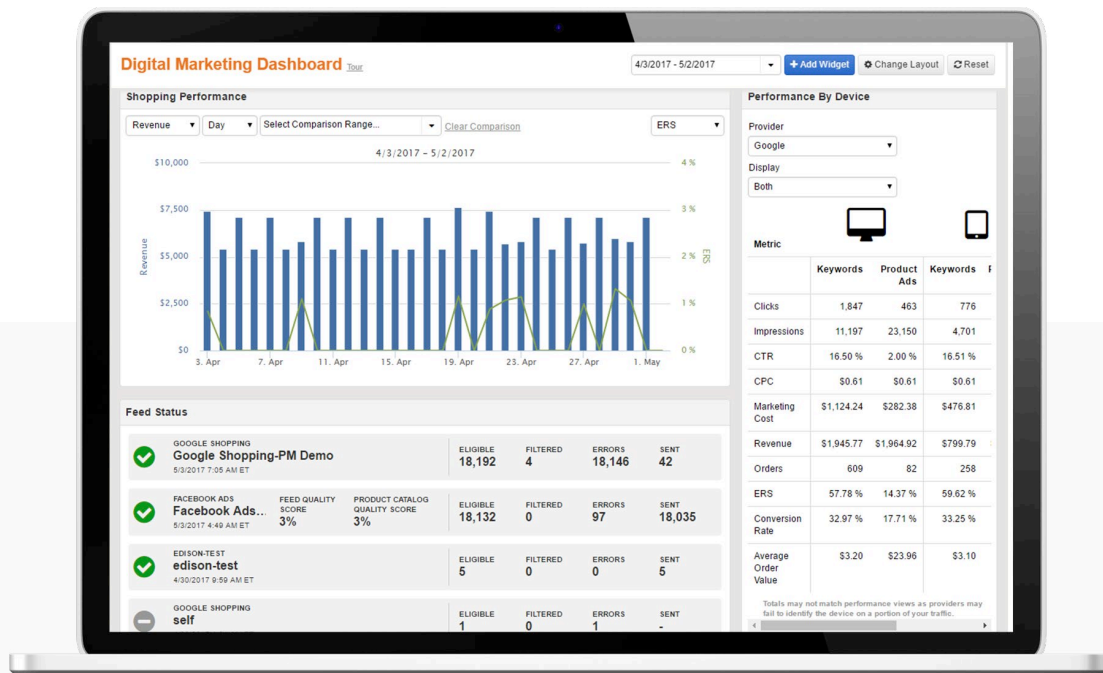
If you sell direct to consumers on channels like Amazon and Google, that means optimizing product data so it's thorough, accurate, error-free and able to meet the requirements of each individual marketplace and advertising platform. Getting your products in front of the right consumers at the right time requires robust data including:

- › titles
- › descriptions
- › images
- › bullet points
- › tech specs
- › details
- › pricing
- › keywords

And according to ChannelAdvisor research, it's not uncommon for brands to receive requests from retailers for better content.

Put simply: The better the content, the more likely a product is to rise to the top of search results and drive more purchases everywhere your products are sold. Thankfully, there's an easy way to provide it:

- **Product Feed Management** allows brands to deliver better content to retailers, search engines, marketplaces and more by optimizing the right mix of keywords, descriptions and other mission-critical data. This technology is designed to ensure product information is **quickly and accurately mapped to the correct fields** on each sales and digital-marketing platform.



# Conclusion

Brands have more opportunities than ever before to get products in front of purchase-ready consumers. But to remain competitive, strategies will need to be regularly reassessed and updated as long as the e-commerce industry continues to evolve at a rapid pace. With nearly 20 years of experience and more than 2,700 customers, ChannelAdvisor can keep you ahead of the latest trends and ensure you're maximizing every opportunity.

## Connect and optimize the world's commerce

ChannelAdvisor is a leading provider of cloud-based e-commerce solutions that enable retailers and branded manufacturers to integrate, manage and optimize their merchandise sales across hundreds of online channels including Amazon, Google, eBay, Walmart, Facebook and more.



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