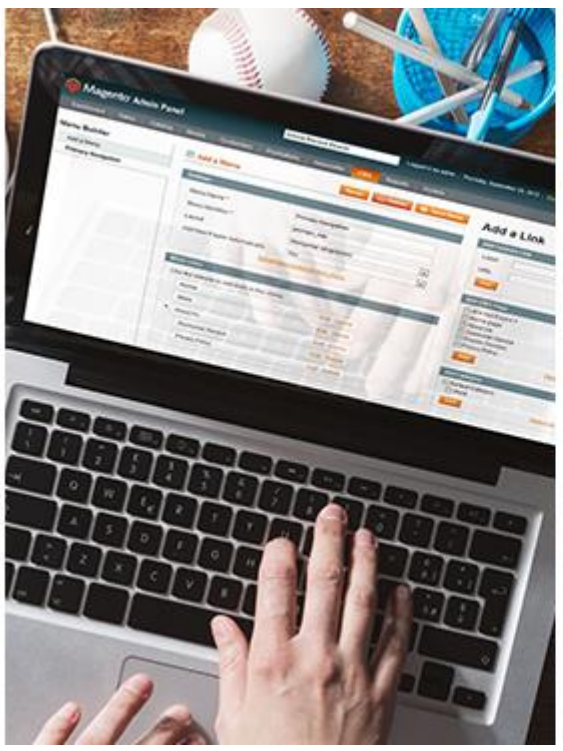
eBook

The Complete Guide to Multi-Channel eCommerce Growth



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Introduction

With the number of marketplaces available to sellers continuing to grow, there are significant opportunities for retailers of all sizes to expand their reach and drive more sales. The fact is, in order to successfully grow your business, you will more than likely need to sell across a range of different channels. While marketplaces are a great option for this due to the extensive range of options, multi-channel selling may be as simple as selling through both a physical shop and an eCommerce website.

Regardless of which selling channel(s) you are considering, however, it's always worth keeping in mind that the eCommerce market is a competitive one, and for this reason it is crucial that you are making the best decisions for your business. In this guide, we cover the key considerations you need to take into account, as well as some tips and best practices for growing your business across channels.

What Is Multi-Channel?

In short, multi-channel refers to the selling of products through multiple different channels. As an example, you may sell through your own webstore, as well as on eBay, Amazon or any other marketplace. Multi-channel selling isn't just limited to online channels, in fact you may have one or more brick-and-mortar stores, or even take advantage of social commerce, by selling through a Facebook store.

The fact is, multi-channel retail is leveraged by companies of all sizes, ultimately to extend their reach, generate more sales and grow their business. Specifically, it enables you to list your inventory across more than one channel, in turn increasing the visibility of your products to a much wider pool of prospective buyer's.

Key Things To Consider When Looking At New Selling Channels

Determining which selling channels are the best fit for your business isn't a decision that should be taken lightly, in fact, with the ever-evolving range of platforms, combined with continuous advances in technology, you will need to invest the time into researching your options.

Throughout this guide we will explore the four most common selling channels – marketplace, webstore, brick & mortar store and social platforms. Regardless of which channel(s) you decide on, there are a number of things you should consider to ultimately inform your decision.

In 2016, online retail will account for up to 23% of total retail spend in the UK

1. Return On Investment

In order to understand how much ROI you can expect from a specific channel, you will need to understand how much it will cost for the set-up of the channel, as well as ongoing maintenance or fees. You should also try and understand how much profit the channel is likely to make you, and how much of this will be eaten up by things like marketplace commission fees or brick-and-mortar overhead costs. An idea of website/listing traffic and/or footfall, can also help you plan which channel is the best fit for your business.

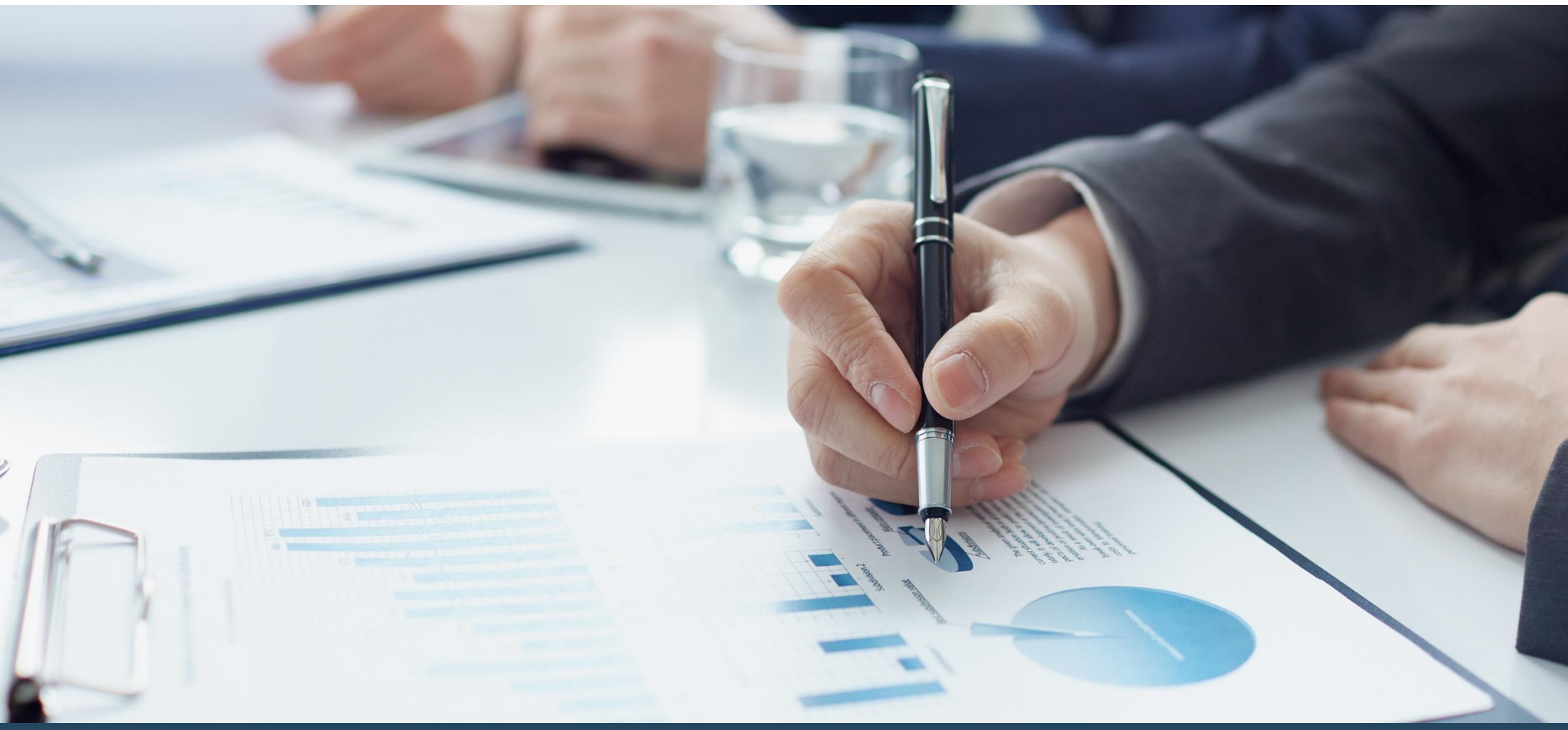
The fact is, different channels will incur different costs at different times. For example, while marketplaces may be relatively cheap to get started on, you'll need to account for ongoing fees (i.e. listing fees, monthly fees, commission fees etc). With regards to a webstore, there will also be various costs including the initial site build and design, hosting & maintenance costs, an eCommerce Merchant Account charge which enables you to receive credit card payments and a Payment Gateway fee, which safely passes credit card data to your Merchant Account.

On top of these fees, there may be additional charges such as PayPal fees and the necessary advertising, marketing and SEO investment, that will ultimately make all of these charges worthwhile.

2. Scalability

Growing your business from one channel to another doesn’t have to be a complicated matter, but it does require preparation and a change in mind-set. Ultimately, multi-channel selling requires a different way of working, in order to reduce the likeliness of human error such as overselling occurring.

The reality is, as your business scales and you begin to sell on more and more channels, you will only see success if you have the infrastructure in place to deal with this growth. This is why an inventory and order management system is integral, helping to automate tasks and synchronise your stock across channels. All in all, prior to expanding your business across channels, you should assess how ready and prepared you are to scale your business effectively, because anything less could not only lead to wasted time and money, but it could also be detrimental to your brand’s reputation.



3. Long-Term Thinking

Don’t be put off by the costs associated with starting on a new channel, because ultimately, done right, multi-channel selling will lead to successful business growth and increased profit margins. With this in mind, it crucial to look at the long term picture and plan accordingly.

The Most Common Sales Channels

As previously mentioned, this guide will explore what we believe to be the four most common sales channels; marketplaces, webstores, brick-and-mortar stores and social commerce platforms. In this section, we have provided details about each of these channels, helping you to make an informed decision when growing your business.

Marketplaces

Purchase decisions are increasingly driven by convenience, and with consumer's expecting competitive pricing, a wide range of options and convenient delivery options, marketplaces have become a popular choice amongst online retailers.

Now while marketplaces indeed have their drawbacks – marketplace fees, less flexibility than when selling through your own site, the need to comply with rules and regulations - there is no denying that they can be extremely beneficial for maximising your brand exposure and ultimately increasing your sales. In addition, they tend to be recognised and trusted by customers, making them the preferred option over purchasing directly from an unknown site. If this is the route you decide to go down, there are a wide range of marketplaces out there for you to consider, both niche specialist sites, as well as sites that sell a wide-range of merchandise, including the likes of eBay and Amazon.

Checklist For Selecting the Best Marketplace For Your Business

✔ Assess Marketplace Traffic

One benefit of selling through a marketplace is the active, ready-to-buy customer base. As a result, it's worth getting an idea of the site's traffic, even more so if you're considering a less established, niche marketplace.

✔ Consider Their Fee Structure

Some marketplaces will have a competitive commission structure, others will charge listing fees and some will actually have no fees (yes, really). Realistically, this should be something that you must research in advance, in order to determine how profitable each marketplace will be for your business. Bear in mind that many sites will have variable commission charges based on different product categories, so this should be something you take into account. Do also consider other potential charges, including fulfilment options, marketing & promotional fees, and any additional costs that could be incurred through marketplace support.

✔ Understand Rules and Regulations

As already mentioned, one of the downsides of marketplace selling is the lack of freedom and control you have over your branding and listings, compared to selling on your own site. For this reason, you should look at whether you have the option to set up a 'storefront' on the marketplace, similar to an eBay shop, and also understand how much flexibility you have with design & pricing. Also look for any rules regarding feedback & returns.

Learn As Much As You Can About The Marketplace

The key to making a success of any new marketplace is by learning as much as you can about it, in fact there are a whole load of ways you can test a marketplace out to better determine whether or not it's a good fit for your products and business, several of which we have outlined below:

Join the User Groups

You will find that many marketplaces have dedicated user groups, either on social media channels, or on their own website – for example Amazon's Seller Central. Take the time to research these groups, and gauge the overall feel amongst sellers about the marketplace in question. You can also leverage these user groups to actually ask other sellers for their opinion and advice, which can help you make the most appropriate decision.

Buy Something For Yourself

There's no better way to test a marketplace than by being a customer yourself. Judge everything from user experience, to the marketplace's search functionality and delivery times, which is often determined by the marketplace's regulations.

It's also important to assess the quality of competition on the marketplace. If there are thousands of similar products to yours, and you get charged a monthly subscription fee or listing fee, regardless of whether you make a sale or not, it could pose as a risk. Similarly, if none of your competitors with similar products are listing on the marketplace, it could be that the site just doesn't get customers looking for these goods.

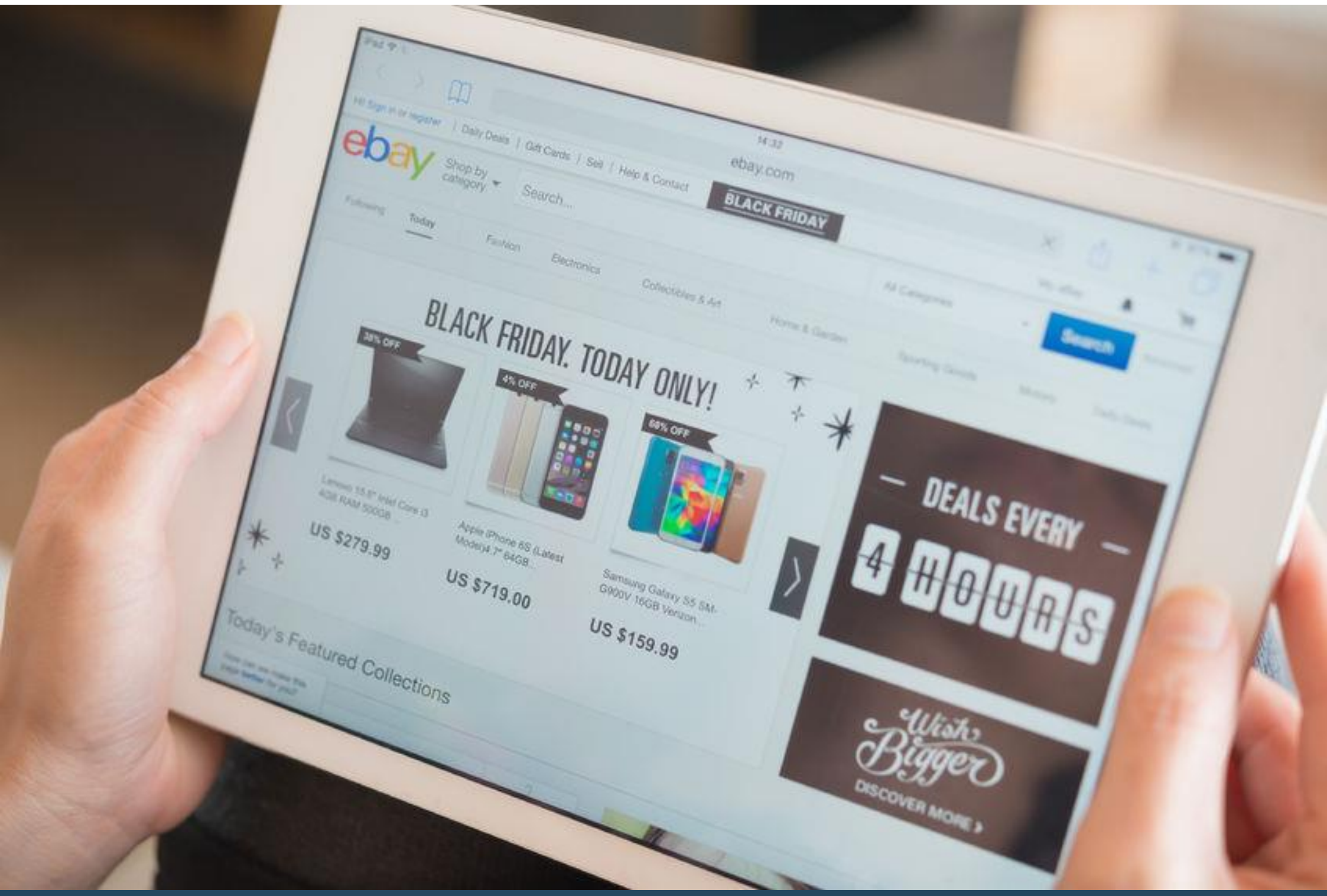
Check out online reviews

Many of the marketplaces will have been written about by other sellers, and a quick Google search of "Selling on Amazon" or "Selling through eBay", will display the reviews of other sellers' experiences.

Speak to your service providers

Chances are, there are benefits and support that you can receive as a seller that may not be obvious at first glance. The best way to find this information out is by speaking directly with the marketplace.

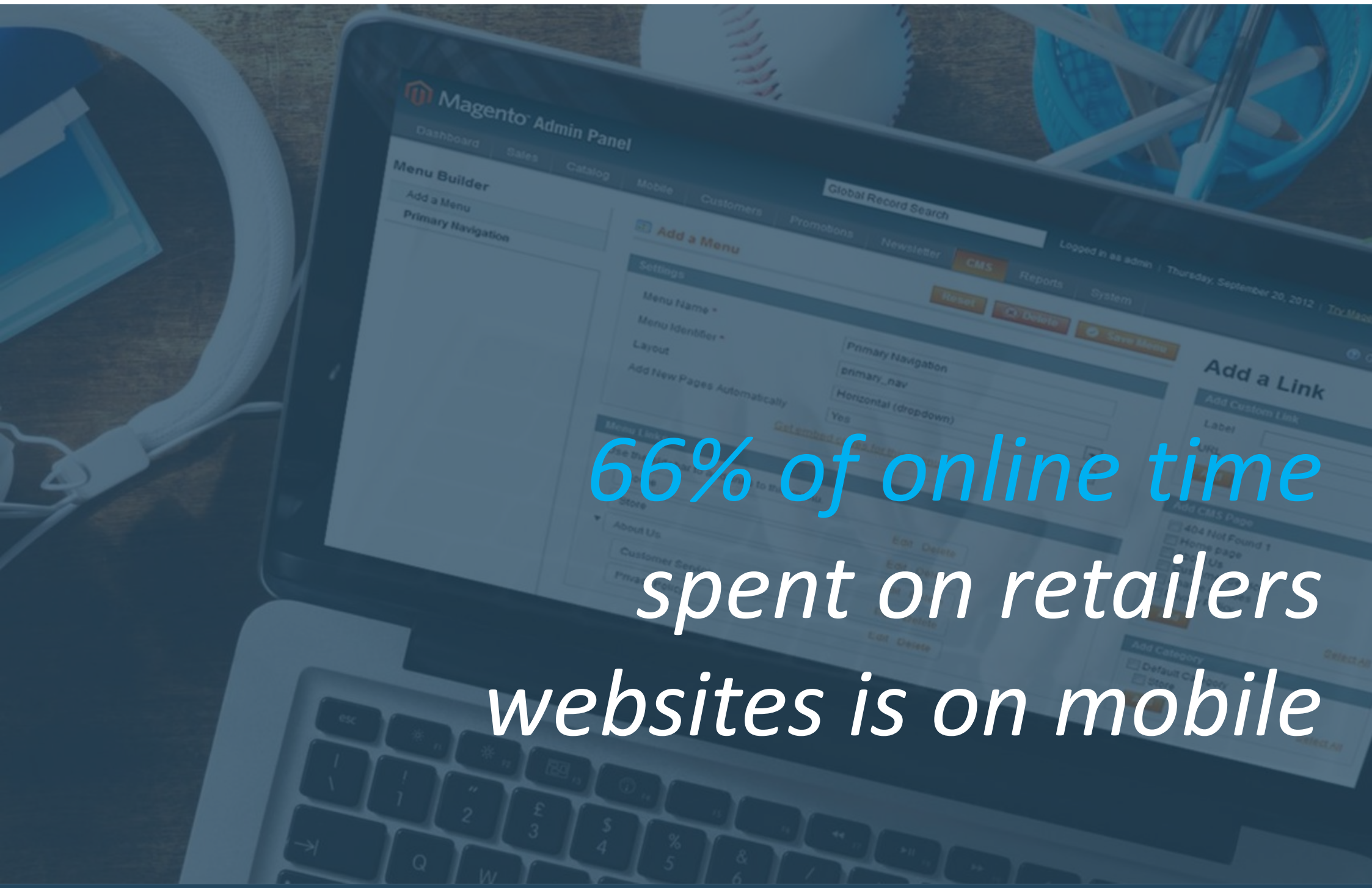
Ask about everything from marketing and advertising opportunities on the site, seller best practices, fulfilment opportunities, account management, translation support (if necessary) and implementation.



Webstore

Having your own website is important as you grow your business, for a number of reasons including more flexibility with branding and promotions, as well as the fact that there is a common expectation amongst customers that businesses have their own website.

If you are questioning whether or not a website is a good fit for your business, you should keep in mind some of the key advantages and disadvantages.



✓ The ability to fully customise your store

You'll find that many solutions will provide you with a range of design tools, including customisable themes & CSS editors, giving you the opportunity to fully replicate your branding.

✓ Access to customer information

Should a customer make a purchase on your site, subscribe to your newsletter, enter a contest, or provide their details in any other way, you will have access to their information, which you can use to nurture them into repeat customers.

✗ Running an eCommerce site can be a time constraint

Maintaining an eCommerce site requires a huge time investment to ensure you are not only running the site without issues, but that you're also optimising & improving it for higher conversions. An example of this would be to monitor shopping cart abandonment and improve user experience, which can be dont by running regular website audits.

✗ Access to customer information

Unlike with marketplaces, you don't have a ready-to-buy customer base. Unfortunately, raising brand awareness and driving website traffic isn't the easiest of tasks and you will need to invest in marketing. If you're currently selling on a marketplace, try including leaflets or a business card with a discount or promotional offer within your parcels, as this is a great way to drive traffic to your site.

Types of Websites

If you don't already have your own website, and are either solely selling on marketplaces or you are new to eCommerce and are looking to take your brick-and-mortar store online, one of the first decisions you will need to make is what whether to use an 'out-of-the-box website builder' or an 'open-source self-hosted website'. Below we have provided a bit of context on both:

Out-of-the-box website builder

Out-of-the-box website builders, including the likes of Shopify, BigCommerce and Volusion, provide all of the tools needed for designing and managing your website.

This can be a great option, particularly for small businesses, as you don't need to have extensive web design knowledge and they are created for the average web user – drag-and-drop functionality and a user-friendly interface. In addition, you won't need to worry about which hosting or server product is best suited for building the site, as this is handled by the website builder.

Open-source self-hosted website

Open-source self-hosted website platforms such as Magento and WooCommerce, give you much more control over your website, and provide a better ability to scale as you grow your business.

You should note, however, that you will need to have a knowledge of working with Wordpress, in order to manage this type of website. You should also be able to determine the programming language you will user, and be able to manage the design, testing, coding and implementation of the site.

Unless you have an internal web developer, or have the skillset yourself, we would recommend that you start by using a website builder, mainly for ease-of use.

Tips For Launching an eCommerce Site

As we've already covered, running a website involves a lot of time and effort, including maintenance, marketing, SEO and optimising for a higher conversion rate.

But what are the steps involved with launching an eCommerce website to start with?

The fact is, if you have a solid strategy, getting started with your own website doesn't have to be complicated matter. Below are some of the key considerations and things you should do prior to launching:

Manage your inventory

As with any channel, when selling on your website you will need to ensure that you are able to successfully handle inventory without wasting time processing and tracking your orders.

The fact is, how you effectively manage your inventory should be a key consideration, in order to avoid overselling and unnecessary expenses. One of the best ways to overcome this issue is through the use of an inventory management solution.

Have a budget for marketing

As we've already mentioned, it's highly unlikely that a load of potential customers will just stumble across your website without you having put in some effort to raise awareness of your brand. When it comes to marketing and advertising, there are a whole host of ideas, many low-cost, that you can take advantage of including competitions, blog posts, email marketing and guerrilla marketing tactics.

Although slightly more expensive, you should also consider Google Shopping Ads, AdWords and Facebook advertising to raise awareness and drive website traffic.

Make sure your site is actually ready

Obvious as it may seem, if your website isn't actually user-friendly and ready to drive sales, then it's not only a wasted effort, but it can be potentially damaging for your brand's reputation. The fact is, a poor website can actually be detrimental to your brand image and put customers off buying from you.

To avoid this, make sure your sites navigation is clear and helpful, and that your customers aren't struggling to locate pages on your site. Simplicity should also be a key theme in the design of your website and it integral that it is also mobile-responsive. Not only do website visitors expect a mobile-friendly user experience, but without one you will struggle to rank well on Google. With regards to content, we would recommend you include plenty of high-quality imagery, clear and concise product descriptions and if possible, product reviews.

Overall, when running your own eCommerce website, you will need to keep in mind that you are responsible for the entire user experience, including site design, website maintenance, marketing and branding, shipping and fulfilment of orders, payment and customer service. For this reason, it is integral that you have the resources available to deal with each of these areas, prior to setting up your own site.

Brick and Mortar Store

Taking your online business offline in the form of a brick-and-mortar store won't necessarily be an immediate decision, but it could feature somewhere in your growth plans. If you do decide to go down this route, there are a number of things that you should keep in mind.

Don't expand too quickly

If you rush into expanding your business offline, without preparing for the transition and adjusting your business mind-set, you will fail at the first hurdle.

The fact is, running a physical shop requires a completely different approach, for example you will be dealing with commercial space, increased inventory, overhead costs and staff. With this in mind, prior to making any decisions you should ensure you have the resources available and have a strategy in place.

Offer a consistent experience

Regardless of whether you are selling online or offline, both your branding and customer service should be consistent. Failing to acknowledge this can have a detrimental effect on your brand's reputation and customer satisfaction. This also highlights the importance of investing in and training a great, reliable time of people, as they will be representing your company.

Leverage opportunities to capture contact information

One of the downsides of selling offline is that isn't as easy to capture a customer's contact information and encourage repeat purchases. A couple of ideas for overcoming this is by offering them the chance to sign up to your mailing list, or even offering them the chance to receive their receipts electronically.

Have enough cash in the bank

Something that often gets overlooked by retailers opening up a physical storefront is that it is even more important to have cash in the bank to ensure shelves are stocked, and that you are able to pay any overheads.

Social Selling Channels

One of the less obvious channels to use for selling are social media networks. Social commerce is becoming an increasingly popular amongst customers, as it enables purchases to be made directly through the site. It's also a great way to reach new customers and improve the overall user experience.

It is worth bearing in mind that these transactions are only commonly enabled through the use of a website solution such as Shopify or BigCommerce. For example, Shopify enables you to set up a store on Facebook, allowing customers to purchase your products without leaving the website, while Shopify handle the payment processing and transaction tracking.

16% of online buyers

Purchase directly via a social media channel

Expanding Your Business Overseas

If you are looking at growing your business overseas, international marketplaces can be a great place to start, for the simple reason that it can be less daunting and complicated than selling internationally through your own website. It is also a great way to test a new market.

When you are researching potential foreign marketplaces, have a look at the international support they can provide. This could be anything from automatic listing translations or multi-lingual account management. While there are hundreds of opportunities for selling overseas with marketplaces, the two leading sites – Amazon and eBay – have a range of international options available to sellers:

Basic International Selling with eBay

The basic international selling option on eBay simply requires you to offer international postage on your domestic listings, to the countries that you wish to sell into. This not only provides full listing visibility for international customers on the UK site, but also displays your products on these specified international eBay sites, should the user refine their search.

Advanced International Selling with eBay

eBay's advanced international selling option goes one step further than the basic option, and enables you to optimise and localise your listing, specifically for the individual international market. By listing directly on the international eBay site, you can generate up to 8x more revenue per listing, than solely offering international postage from your domestic listing.

eBay's Global Shipping Programme (GSP)

eBay's Global Shipping Programme is arguably the most easiest and reliable option for selling internationally to over 60 countries across the globe. By using eBay's GSP, you can eliminate the complex, time-consuming tasks, which are required for selling internationally. This includes identifying which items can be sold where, as well as the completion of custom forms and the calculation of international shipping and import charges. More importantly, it takes away the need to actually ship the order with tracking.

Amazon's FBA Export

Similar to eBay's basic international selling option, Amazon's FBA Export enables you to offer your products to customers in up 26 countries, simply by enabling your products to be shipped to international customers purchasing from your local Amazon marketplace.

Amazon's European Fulfilment Network (EFN)

EFN enables you to store your goods in fulfilment centres in the UK, where orders will be fulfilled directly by Amazon, from any of Amazon's European marketplaces. In addition, your customers will benefit from local-language customer service and returns handling. This is a great programme to consider if you are looking to test how individual product lines will perform in different European markets.

Pan-European FBA

Pan-European FBA enables you to ship your inventory to a fulfilment centre, where Amazon will distribute it to each of their fulfilment centres in Europe, based on anticipated demand. This option also enables your products to be eligible for Amazon Prime.

Multi-Country Inventory

Finally, Multi-Country Inventory enables you to send your most popular stock directly to the Amazon fulfilment centres in each of the countries your products are listed on. This allows them to store your products closer to the customers, and is a great option if you have a clear growth plan for the EU, for the simple reason that it requires some understanding of which products sell well in which markets.

Ensuring Your Business Is Scalable

Realistically, taking your business from a start-up to an established brand isn't a simple task, and growing too quickly can have negative implications if you aren't scaling your company effectively. What this means is, you will need to ensure you have the foundations in place to manage growth and expansion, otherwise it can be extremely difficult to avoid failure.

While manually handling your day-to-day processes is doable when selling via only the one channel, as soon as you start taking your business multi-channel, it can be extremely difficult, if not impossible, to maintain high standards. As an example, overselling is a huge problem for multi-channel retailers, for the simple reason that you are required to manually update your inventory levels on each channel.

Now while you can argue that this is possible, even if it is a huge time-constraint, mistakes do happen, and in the occurrence that a sale is made of the same product, on two different channels, at the same time, it will be inevitable that you will oversell to a customer.

The fact is, as your business grows the most logical and practical solution is an order and inventory management system that automates your business operations and automatically syncs your stock levels. It is also important that this system has the capability to scale with the growth of your business, giving you access to all of the data from each of your selling channels, enabling you to manage your entire business from a single screen, ultimately saving you time and money.

Offering Outstanding Customer Service

Your brand's reputation can determine the success of your business, and at worst put you on the path to failure. For this reason it is paramount that you are able to offer outstanding customer service to all of your customers, something that becomes even more important as your business grows.

There's no denying that there are some huge customer support challenges that retailers face when expanding across multiple channels, including the ability to maintain customer satisfaction and deal with customer complaints and queries quickly and effectively. Obvious as it may be, as your business grows, so do the number of customers you're dealing with, increasing the amount of communications you are required to handle. There are, however, tools available to you that can help you manage these communications and any potential issues in a timely manner. Solutions such as XSellco Fusion has the ability to streamline your support activity from multiple sales channels.

Best Practices For Reducing Customer Response Times

The speed, quality and reliability of your customer support plays a huge part in not only defining your brand's reputation, but also helping to convert customers. With this in mind, there are a number of things that you can do to enhance the standard of customer service you are providing, all the while making it easier for your business.

Track customer interactions

It is incredibly important to keep track of each and every customer interaction, and ensure that you are aware of the status and timeline for each customer thread. Failing to do so will only have negative implications.

One of the most effective ways to manage this is by creating folders to quickly label, organise and prioritise your support messages based on query type. These categories may include Returns, Urgent, Damaged Product, VIP Customer, Late Delivery etc.

Create Ready-To-Use Response Templates

Once you have a list of common customer queries, consider creating re-usable templates. While this isn't an alternative to a high-quality customer service strategy, the use of these templates for straight-forward, common issues can save you a significant amount of time, in turn cutting response times.

User a Mobile Support App

With a common expectation that online businesses operate 24/7, backed up by the fact that 41% of customers expect a prompt response within 6 hours, the best way to manage expectations as best as you can, is through the use of a mobile support app. This enables sellers to handle customer interactions from their mobile at any time, which is particularly useful on weekends and holidays.

Enabling Seamless Integration Across Channels

Success from selling across multiple channels ultimately comes down to seamless synchronisation. Again, if your multiple selling channels are operating in isolation, you significantly increase your chances of human-error, which can be catastrophic for both your reputation and future business growth. Realistically, the bigger your business is and the more channels you sell on, the more important is it to have a solution in place that integrates all of your selling channels, enabling you to manage your business operations from one location.

With an order and inventory management solution such as Linnworks, you can easily control your entire business – bulk-listing, inventory management, stock control, shipping management, order management, warehouse management, reporting etc. – all from a single dashboard. This not only provides a scalable infrastructure to expand your business, but also saves you time and reduces costs.

To learn more about the benefits of multi-channel selling and find out how Linnworks can support you in growing your business, visit the Linnworks website here, or alternatively sign up for a free 14-day trial.

Linnworks is an eCommerce platform that helps online retailers automate key processes, reduce costs and grow their business. Get in touch with us to find out how Linnworks can help you manage your business, the smarter way!

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