

Ten Tips: Ex-Selling at E-Commerce

E-commerce now accounts for five percent of USA omnichannel sales, up 40% in the last year according to Nielsen. This includes almost \$12 billion sold through online grocers. No one can accurately gauge how big e-commerce will become, but it is safe to predict that it will be much, much bigger in the next five years. Billion-dollar multinationals and scrappy start-ups are attacking this channel with vigor, widening the performance gap versus successful national brands. In China and India, e-commerce accounts for a majority of the sales for many imported products. Read Export Solutions' ten tips for capturing your fair share of the growth in this strategic channel.

1. Conduct E-Commerce Survey for Core Countries

Create a one-page template capturing local e-commerce customers, online grocery trends and current distributor engagement. Calibrate where each country is on a development curve. Source best practices from distributors in China, India, United Kingdom, and the USA where e-commerce maintains highest acceptance levels.

2. Speak to Millennials

Spend time with young people, learning how they shop and blaze through digital marketing messages. Learn why millennials avoid "their mothers brands" and how many rarely make a "stock-up shop" at a neighborhood supermarket. Another revelation is the trust they place in online reviews and key influencer recommendations.

3. Create a Global E-Commerce Strategy

Align with your company's overall e-commerce strategy. Establish benchmarks and toolkits to share with your distributors. Acknowledge the fast pace of development, allowing flexibility to pivot fast.

4. Distributors: E-Commerce Business Plan

Request each distributor create a 2023 e-commerce business plan. Include new distribution targets, marketing plans, and shipment objectives for e-commerce customers. Challenge distributors to hire a young person to serve as a dedicated e-commerce key account manager. Review each distributor's e-commerce marketing plan early and often in 2023. "A distributor respects, what the brand owner inspects."

5. Learn Online Marketing Tactics

Goodbye end caps and slotting allowances. Hello "pay per click" and first-page search results. Unlimited shelf space exists in cyberspace, with room for every SKU that you (and your competitors) produce. Face-to-face buyer meetings are replaced by online marketing menu programs and transparent sales ranking information. Learn the new rules or you will fail the e-commerce test.

6. Treat Amazon and Alibaba as Global Customers

Amazon revenue will exceed \$500 billion in 2023, including more than \$400 billion sourced from sales of goods. Amazon will comfortably rank as the world's number two retailer, far exceeding sales by Carrefour or Costco. Multinational category leaders have established customer teams to service Amazon. Many place their best, young talent against this high growth customer. Multifunctional team roles may share the same titles



in Finance, Supply Chain and Marketing, but the "work" is much different. What dedicated resources are assigned to Amazon and Alibaba today at your company?

7. Consider a Web Shop

Direct to consumer represented a complex route to market in the past. Today, new brands and leading companies are jumping at the opportunity to showcase their innovation and share in-depth product knowledge through their own proprietary web shop. Outsourced supply chain experts exist to provide fulfillment solutions. Tangible profits may be elusive today, but there is valuable, inexpensive learning to be gained from pioneering in this area.

8. Hire an International E-Commerce Expert

Appear as a preferred supplier to your distributors by providing leadership insights into this new trade channel. Distributors in emerging markets are hungry for best practices in establishing e-commerce brand building models. Send your e-commerce expert to core markets to conduct workshop training sessions. Your investment in an e-commerce strategy and guru positions your company as a preferred partner helping to build the distributor's entire business.

9. Appoint E-Commerce Distributors – Asia

Selling through the e-commerce channel requires different routes to market capabilities and skill sets than marketing through brick-and-mortar supermarkets. Consider appointing a separate e-commerce distributor in advanced countries like China and South Korea. A key issue is managing pricing equilibrium between your conventional distributor and e-commerce partner.

10. Track E-Commerce Results

Establish KPIs and measure performance at key customers such as Amazon. Are you getting your fair share of the growth?

E-commerce development is a top 2023 priority for every brand and distributor. Some may say that e-commerce is evolving slowly in their country or too complex and unprofitable to allocate resources. These are the same people whose parents were probably in the horse-and-buggy or fax businesses. Enhanced focus on e-commerce will position you as a leader (or survivor) for 2025.