



SCALING UP YOUR ONLINE BUSINESS

How to build, grow and
industrialise ecommerce

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INTRODUCTION: GROWTH AND HOW TO GET THERE

Many people set up an ecommerce businesses, be it for fun, or with an eye on a bigger prize of becoming the next great online brand. In the coronavirus era, ecommerce has never been more important, both to consumers and to shoppers spending more time at home and with physical stores likely to experience a permanent shift in footfall.

Together, these two drivers are making ecommerce more vital than ever before – and the prizes of getting it right even bigger than they once were.

For whatever reason you choose to go into it, however, you may soon find that what was once something that you did of an evening in your spare room to tap into this new online shopping zeitgeist has morphed into something quite successful – and you find yourself in the realms of having to grow your ecommerce business. This is where things start to get serious.

Moving from something that you can do in your spare time using Amazon and/or eBay is challenging. While using marketplaces is an ideal way to start – and something that you should, as we shall see, continue with – marketplace trading alone can sometime make growth and development harder.

At the same time, however, marketplaces also can help you expand into new territories and to grow your customer base.

The real challenge with growing, developing and industrialising your ecommerce business comes from migration. Migration from using just marketplaces to using your own ecommerce website; migration from being a one person operation to perhaps having to start hiring and managing staff; and a migration from perhaps that trusty back bedroom or garage to a proper office and warehouse.

These shifts in how one operates are hard to navigate, harder still when you are – by dint of the success that is driving these migrations – busier than ever with orders.

Technology, of course, has a massive role to play in the process. It is both a headache to get all the systems in place and talking to each other and, when managed properly, it is the salve that will

ease the pain of growing your business.

Using the data from what appears to be a disparate collection of tools, platforms and even third party providers – order management, supplier data, warehouse and logistics management and more – and feeding it into a central control panel can help you evolve from tycoon to fully-fledged ecommerce entrepreneur. Such automation and data leverage is key to ecommerce success and the overall progress of your business.

How to manage that progress, the tactics you will need, some of the tools available to help and some tips as to how to make it all happen is what this white paper is all about.

Drawing on ecommerce providers that have managed the change, this booklet will give you a heads up on how to start up a business and then how to grow it. It outlines the tools available and, more crucially, the strategic tips for deploying those tools.

Not only does it feature case studies of how four etailers have managed this process, it also draws on their input to inform the whole book. These are the tips and hints from those that have made it happen.

We also take a look at where the world of real ecommerce players sits at the moment. How advanced are they, where they are looking to for growth and how they see their best chance of getting there.

With customer research conducted before the full impact of coronavirus was upon us, it does to some extent reflect the pre-corona world. However, if the changes wrought worldwide by the outbreak tell us anything, it is perhaps that ecommerce is set to be more important than ever to the global economy.

And we hope that these learnings, data and tools in this book will go some way to helping you on the path to ecommerce growth and success worldwide.



PAUL SKELDON
CONTRIBUTING EDITOR, TAMEBAY

SPONSOR INTRODUCTION: HELPING YOU GET THERE

At the beginning of this year you would have got pretty long odds on Brexit not being the number one economic issue facing the UK in 2020. Yet here we are, emerging from the most challenging economic and social threat to our livelihood, not only in our ecommerce memory, but also in our lifetimes.

Depending on the categories you sell in, you're probably in one of two camps. Maybe you've been struggling to keep up with surging demand and a reduced, socially distanced workforce and want to kick on from here. Or, perhaps you've shuttered your business and are looking for help on how you can rebound from this faster than when you started.

We're delighted to be associated with this white paper on scaling up your ecommerce business. It's a subject close to our heart and we think the lessons in it apply equally during periods of relative economic calm as well as in the drama that can result from a crisis.

If selling online is your insurance against the erosion of bricks and mortar retail, then being on multiple marketplaces and web-based channels means all your ecommerce eggs aren't in the one basket. The more places you are, the more you're seen, the more you should sell. But also, the more work you have to do to optimise your presence, your service and your status on each channel.

So, the answer to successfully scaling your ecommerce business lies in automating as many of your processes as you can while maintaining the attention to quality and detail that got you the success so far. You need to put your people and partners where their expertise adds value, not automate the cultivated chaos that got you to here. Focus too on retaining your new customers for sustained growth.

The Volo service and platform focus on helping you scale up your business with dedicated professional expertise, a highly comprehensive multichannel platform and reporting visibility covering your entire operations. This combination grows your sales and increases your efficiencies over the long term.

Our account management, implementation and support teams take a customised approach to

helping you scale the growth of your business, from listing and marketing, through to inventory and stock management, order fulfilment and shipping, customer service, supply and suppliers, reporting and analytics. Our range of professional services focuses on plan, launch and grow, and our Origin platform enables you to integrate, automate and accumulate. Sitting on top of this is Vision, our reporting module, and your window on exactly what's happening in your business.

We're a UK company dedicated to UK-based online multichannel sellers who are active both in the UK and globally. We typically work withetailers selling on more than one online channel and at least one major marketplace, with 10+ staff and doing £100K+ GMV per month, in sectors such as motor parts, fashion, tech/electrical, home & garden and non-pristine. We are proven to comfortably handle extremely high SKU listing volume and order throughput, using trusted expertise, trusted functionality and the automation of structured data flows within and outside your business.

In September 2019 FOG Software Group acquired Volo Commerce. The FOG mission is to acquire, manage and build market-leading software businesses that develop specialised, mission-critical software solutions. To date there are over 400 companies within the parent portfolio. FOG also gives Volo access to the funding and resources required to serve the long term interests of our customers.

We hope you enjoy the white paper. More importantly, we hope there are things in here that you can do today, tomorrow and in the coming weeks to grow your business sustainably while protecting yourself against massive macro events like the one you're currently navigating. After all, you're looking for the fast-moving parts of the stream, but you want to anticipate the waterfall. Good luck!



TONY KYBERD
COO, VOLO COMMERCE

SETTING UP AN ECOMMERCE BUSINESS

Ecommerce is still a growth business. Despite the many downward pressures on retail, still ecommerce grows. According to IMRG CapGemini, online retail in the UK grew by 6.7% across 2019¹, so getting into ecommerce – even if it is one of several channels – is a great place to be.

While the rewards are obvious, how you actually set up your online business is less clear – and there is no blueprint to follow – but there are key areas you need to look at to get it off the ground. Here we outline what some of those key first steps are, before looking at what some real ecommerce businesses are doing and then how to grow and scale your business. So, what do you need to get started?

IDENTIFY A NICHE OR MONETISE A HOBBY

Often smaller ecommerce businesses are born out of either someone's obsession with something and/or their inability to find the goods they need to service that obsession.

Classic car enthusiasts may well be desperate to find authentic parts and, once sourced, then turn to selling them to others to help them out.

Those that make their own jewellery, say, want to make it and sell it and so need to find a route to market.

The key thing is to find what it is you can do and assess whether anyone else is doing it or if there is a need for it.

If you have identified a gap in the market, good for you. If you find that other people are also doing what you want to do, you have to establish whether you could do it any better or bring something to the party that would make your offering likely to attract customers.

While many of us have hobbies and interests, it isn't always possible to turn them into a money-making venture.

DEVELOPING YOUR OWN BRAND

Let's assume that you have hit on an idea or niche to service and want to make a business of it. For many, the first port of call is to sell one key item that is unique to you – from this you can develop your own brand and marketing around that product.

That can then be grown into a niche vertical and a brand built around that.

The Green Spark Plug, for example, started with spark plugs for vintage cars and has grown to be a site that sells all the things you need for restoration and maintenance of classic and vintage cars – from spark plugs to wiring to switches to horns. It also provides the tools you need to work these often non-standard parts. See case study on page 15].

However, you can look at how to start a business and brand based around a vertical market,

but again to start with keep it simple.

Military 1st specialises in military clothing, shoes and accessories and as such is both single product and vertical all at once. Seeing an opportunity in the niche market for combat clothes and accessory, Military 1st was set up in 2009 as a way for its founder to earn some extra money while at university.

Today it operates 13 websites, 10 Amazon sites and 11 eBay sites serving various global markets. The brand is simple: you like military clothes, you come here first. (See case study on page 15).

The key then is to use your uniqueness and brand it so that it will attract attention. Ecommerce, as said, is very popular, but that also means it is very competitive: you need to make sure what you do stands out.

Branding, the name of your company and the URL that you may use for your website are crucial. Not only do they have to readily say what you do, but they also need to be memorable and, especially when it comes to turning that brand name into a URL, have to be something that isn't already taken.

First, note down words that describe what you do, then write down words that convey how you want your business to be thought of. You can also put in words that associate with where you are, if location is a selling point, or words that convey quality, speed, professionalism, service and so on.

Now, you have to start to use your imagination here and work out how to put them together. You may be selling vintage football shirts and are in Weston-super-Mare and may want to call yourself "Weston Football Shirts" – which is perfectly serviceable. However, it's not very exciting is it? You may be about to offer an overnight/next day delivery of orders, so "Next Day Football Shirts" may be better, but still boring. Try injecting a bit of humour: "Get Shirty"; "He Shirts, He Scores"; "Shirty McShirtface" – think laterally.

And don't be afraid to put words together to make non-words – so long as they aren't vulgar or unpronounceable. Expedia is a great example: it's a word, sort of, but it conjures up 'Expediency', speed and, to me at least, 'escape'. How about Shirtlocker?

SOURCING YOUR OWN PRODUCTS

Once you have had that brilliant idea, you need product. Here there are three ways of proceeding: make it yourself; find a manufacturer; or find a drop shipper. Each has its own pros and cons, so what is involved?

- **DIY/make it yourself** – If the idea you have had is that you want to sell something that you can make yourself, then your supply issues are taken care of. Sort of.

You may have the ability to make the goods, but you will need to find reliable suppliers of the raw materials that you will need – and at a reliable cost. You will also need to look into sourcing the packaging and shipping for your product.

With DIY products you have to also factor in how long each will take to make – and how long the packaging takes to make – as well as factoring in supplier time lines for both raw materials and packaging. The costs of all this also have to be worked out.

- **Third party manufacture** – Working with a third party manufacturer means that you are partnering with someone to develop and produce your idea or product. This option is ideal if your product isn't something that you can make yourself or if you started as a DIY-er and are ready to scale up.

When looking for a manufacturer you need to do your research. Finding companies that make X, Y or Z products can be done with Google, but from there you need to check out the companies that search throws up, check their references and see who else they work for and with.

Once you have narrowed it down, you need to meet with them and discuss in detail what it is you need making, how much that will cost, who will be responsible for sourcing raw materials, packaging, shipping and so on, and who is set to store the inventory before it is sold.

If you are looking to sell something that already exists – such as say T-shirts – then you need to go through a similar process as to veracity of the supplier, their references and iron out who is responsible for all parts of the process from sourcing raw materials through to shipping.

The chief thing here is to make sure that they are reliable and that you draw up a contract with them that stipulates lead times, production times and who is responsible for each part of the supply, manufacture, distribution and storage of the goods.

- **Drop shipping** – A third way to proceed is to find a drop shipper, where you simply list the products of a supplier on your website and they handle the manufacture, packaging, inventory and shipping of the goods for you. You pay them for the goods (including the costs of logistics et al.).

Drop shipping is a great option for starting a new online business if you know what it is you want to sell, but it is also perfect for expanding your product range and expanding your business. You can find complementary products that work with what you have done either yourself or with a manufacturer, or simply to grow your business.

The downside is that you are typically putting yourself in the way of more competition, since many of the products offered by drop shippers are readily available all over the internet from many other suppliers.

However, most have a wide selection of products from which you can choose and drop shipping usually gives you a lower profit margin, so you'll need to sell a lot before making a good profit.

Finding the right drop shipper follows the same rules as above: check them out and check their references. And get a written contract in place that defines services level agreements (SLAs) and outlines the penalties if they are missed.

- **Overseas product sourcing** – Both the third party manufacturing and drop shipping options are great for getting a business going or growing domestically, but they can also be useful for helping to source products overseas when looking to service new geographies.

Having a local supplier or product, or, even better, a local drop shipper can help cut out much red tape and bureaucracy for international sales.

Finding such suppliers does require some internet work and, ideally, some on-the-ground donkey work meeting suppliers and their existing customers, but it is a good option when looking to expand.

Again, contracts, SLAs and proper agreements are crucial to protecting your business from the start.

UNDERSTANDING PROFITABILITY

When looking to start up or expand a business, you need a business plan and you need to be really rigorous – and conservative – with costs. Which ever product sourcing model you pursue, the costs of materials, production, packaging, inventory storage and shipping has to be understood.

And that includes calculating the cost of inventory – including inbound logistics, storage cost and other less obvious costs such as wastage and spoilage, delays in supply and more.

Similarly, calculating the cost of delivery, including picking, packing and shipping, not to mention returns, failed deliveries and more have to also all be factored in.

And look at contingency plans too. As the recent coronavirus showed, the best market projections can go awry when nature throws a curve ball into the mix, so make sure that you have some contingency in your budgetary planning as far as you are able.

HOW TO EVALUATE NEW MARKETPLACES

Marketplaces offer an ideal way to set up and run – and grow – an ecommerce business. They can often help you bypass the headaches of juggling setting up marketing, warehousing, order management and shipping of your goods.

But how do you work out if marketplaces are for you – and which marketplaces suit what you are trying to achieve?

- **Should you use a marketplace?** – For one-of-a-kind, bespoke products – particularly those that you are making yourself – marketplaces can be ideal. If there is little or no competition for what you are selling then you can sell at a premium, even on a marketplace, and increase your profit margin. Sure, you'll lose some profit to the costs of the marketplace listing and selling – and possibly also handling inventory, fulfilment and shipping – but with no competition you can almost charge what you want.

With products that are more commoditised, where there is a lot of competition, then marketplaces have to be looked at more carefully. The advantages still apply – easier management of the all the nitty gritty of handling inventory warehousing, picking and packing and shipping – not to mention returns. However, if you are one of many selling similar items, then competition is going to be focussed on your seller rating, which is strongly tied to price and free or fast delivery, both of which impact bottom line significantly.

Here it is best to also make sure that your own ecommerce website is up to scratch and matches what is happening – particularly with price and delivery – with the marketplace(s) you use to avoid cannibalising your own market.

If you have a rapidly churning roster of items, or are seasonally driven, marketplaces too can be a boon.

- **Which marketplaces to use** – This is a more tricky decision to make, not least if you are picking just one to start with. The obvious choice is to go with Amazon or eBay, as these are the best known, offer the greatest reach and are where you are most likely to get sales.

However, if you are looking to expand internationally or to reach an audience in a specific country, they may not be the best choice. According to research by Website Builder Expert², Amazon is comfortably the most far-reaching ecommerce platform on Earth.

Of the 174 countries included in the study, Amazon was the most visited online marketplace in 58 – almost exactly a third. In fact, Amazon reaches more than 1.2 billion people worldwide and is present in every continent.

Meanwhile, Taobao and Lazada – both owned by Chinese marketplace titan Alibaba, which itself reaches more than 1 billion people – dominate East Asia. Alibaba is also a leading investor in Tokopedia, Indonesia's online marketplace of choice.

South African media group Naspers has managed to wrangle itself most of the old Soviet Union, with its Avito being the online marketplace of choice for Russia. OLX, meanwhile, comes out on top in most of the other post-Soviet states. It was Naspers who sold Souq to Amazon.

Norwegian media group Schibsted is carving out a market for itself in North Eastern Europe, its subsidiaries topping the ecommerce rankings in Sweden, Norway, Finland, and Belarus, amongst others. Savvy purchases have allowed it to resist Amazon to the west and Naspers to the east.

eBay is still going strong and it remains the most visited online marketplace in eight countries, including Australia, and owns another five platforms topping their national market.

Looking at the markets you wish to reach will help inform your choice of marketplace and when deciding you need to factor in, again, costs versus benefits of everything you are asking them to do, along with what the competition for what you sell is doing in those markets – both on the marketplace(s) you have chosen and just in the geos that you are interested in.

A final word of caution: national borders are much more fluid on the internet. Just because a platform is the most visited doesn't mean it is the only one that is widely used. It does, however, point to regional preferences – and rivalries – when viewed from afar.

References

1. <https://internetretailing.net/industry/late-boost-to-online-closes-2019-on-a-slightly-more-chipper-note-says-imrg-20846>
2. <https://tamebay.com/2018/09/mapping-the-worlds-top-online-marketplaces.html>

WHAT REAL BUSINESSES THINK: OUR SURVEY SAYS...

To understand what real businesses think, we conducted a bespoke survey. With more than 120 respondents, we can see just how a range of ecommerce businesses scales up their businesses.

WHO RESPONDED?

The spread of companies included in the survey ranges fairly evenly across those that have monthly shipping volumes of up to 100 parcels (23%), 100-500 (22%), 1000-5000 (25%). Those above this account for the other 30%, as shown in Figure 1.

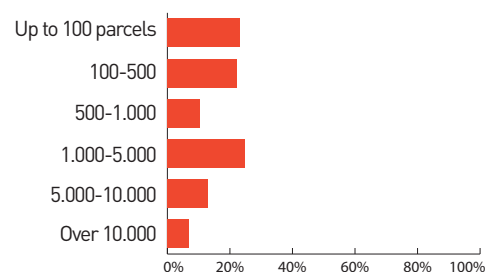


Figure 1. Monthly shipping volumes

The annual turnover for respondents is also wide ranging, with a third (33%) making £100,000 or less each year, 29% making £100,000 to £500,000. 20% are turning over between £1m and £5m, as shown in Figure 2.

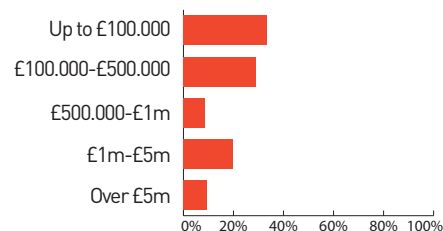


Figure 2. Annual turnover

Fashion, along with Home, Garden and DIY make up the majority of respondents (17% and 26%, respectively), with a plethora of others making up the rest – including other unspecified categories, as shown in Figure 3.

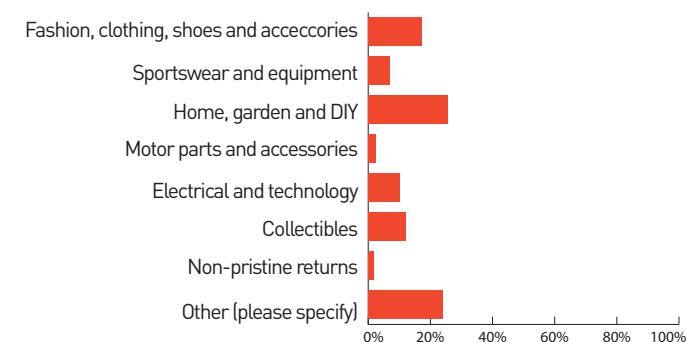


Figure 3. Main selling categories

HOW INTERNATIONAL ARE RETAILERS?

With international expansion a key growth vector for UK ecommerce businesses, it is interesting to see that most of the study respondents are selling overseas. Just 17% of them don't ship beyond these shores, the rest clearly embracing international sales through the variety of channels available, as shown in Figure 4.

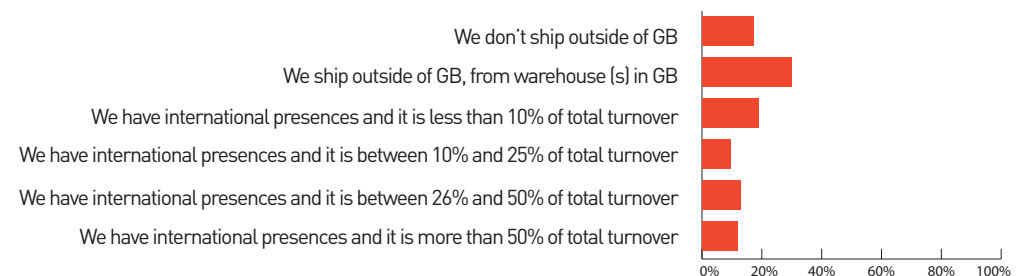


Figure 4. What are you doing internationally?

Approximately a fifth (18%) see it as less than 10% of their turnover, while 12% see it accounting for more than half. The rest, spread between this, averages out that around a third or so of turnover among these UK etailers is already coming from overseas – a figure likely to change as more businesses look to other geographies to expand and grow.

WHAT CHANNELS ARE THEY USING?

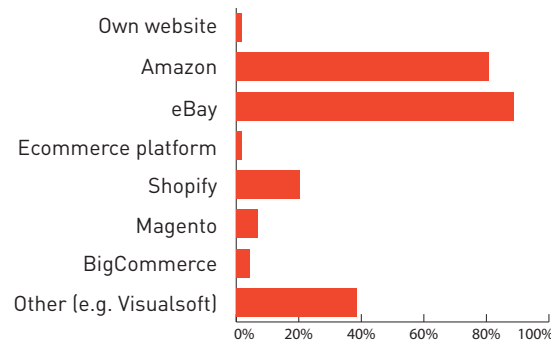


Figure 5. Are you selling on multiple channels?

Given the size of turnover of the retailers in our survey, it is perhaps unsurprising that just 2% of them are using just their own website to conduct sales domestically and internationally. Instead, they are using other platforms, typically marketplaces, as well as using third party platforms.

Of course, Amazon and eBay are by far and away the key platforms of choice for retailers, with 81% and 89% respectively using each – although it must be noted that respondents indicated all the sites they use and the majority are clearly using both marketplaces.

Interestingly, 59% are using Shopify, VisualSoft and other ecommerce platforms to run their operations, compared to just 7% and 4% using Magento or BigCommerce respectively. This shows the spread of tech use is wider than perhaps many would have thought.

USE OF THIRD PARTY SYSTEMS TO MANAGE ECOMMERCE

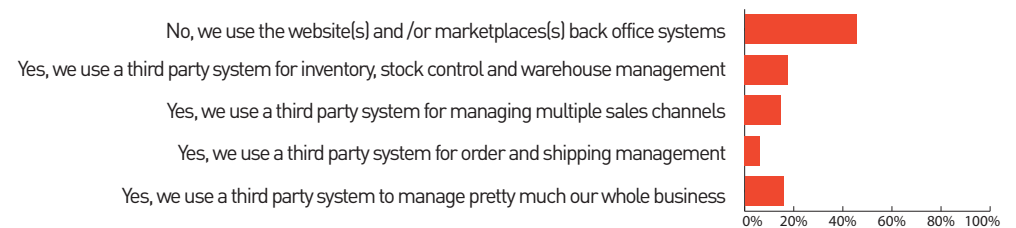


Figure 6. Are you using third party systems to manage your ecommerce?

The split between those using third party systems and those relying on the back-office tools of marketplaces and platforms, as well as third party shipping management tools et al is almost 50:50 – with those using some sort of third party management tipping the scale at 54% (and those not, 46%).

Breaking this down, the use of third party systems is spread reasonably evenly across the different ecommerce functions: inventory, stock control and warehouse management (18%); managing multiple sales channels (15%); and order and shipping management (6%).

Interestingly, 16% use third party systems to manage the entire business. This shows that many are wholly reliant on third parties for their business, from where they sell to how they make it all happen. What then does that mean for automation?

AUTOMATING THE ECOMMERCE BUSINESS

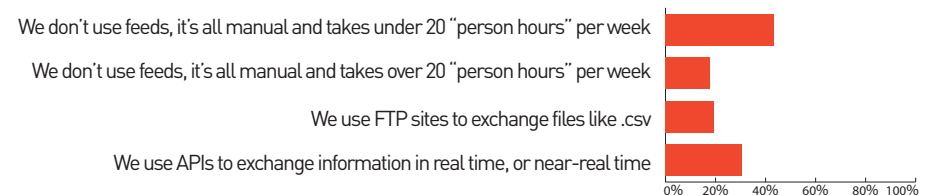


Figure 7. How are you automating your business with information/data feeds?

Again, more than half (62%) are not automating, with 44% doing it manually, with no feeds, in less than 20 person hours a week and as many as 18% doing it in more than 20 person hours a week. A relatively small number are exchanging some data files using technology called FTP and/or APIs.

Why? The reason seems to stem from suppliers, with three quarters (73%) of respondent ecommerce businesses telling us that suppliers are non-automated when it comes to information provision.

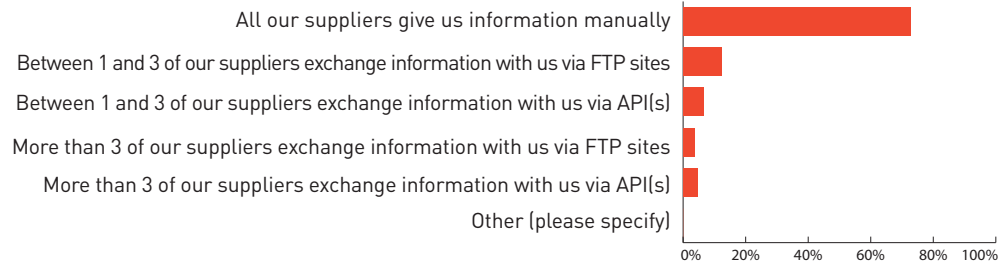


Figure 8. How are your suppliers automating their business?

Clearly, there is work still to be done in automating both the consumer facing side of the ecommerce value chain, but there also needs to be a more concerted push on the business-to-business (B2B) front.

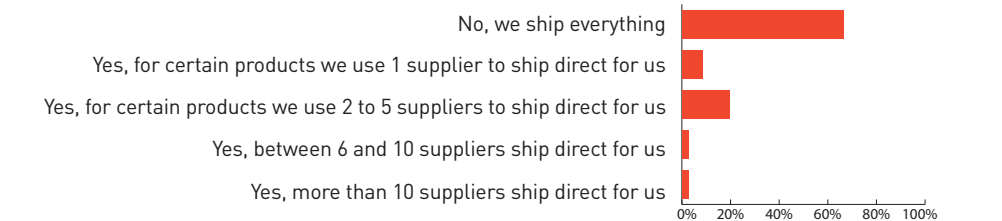


Figure 9. Do any of your suppliers ship direct for you?

SHIPPING AND INVENTORY MANAGEMENT

So how are ecommerce businesses managing their shipping and inventory management? When it comes to shipping, two thirds (66%) of retailers are shipping everything themselves. Significantly, of those that are using third parties to ship, 28% are using up to five suppliers to ship for them – with 3% actually using more than 10. So, for those that are using third parties, they are opting to use an array of carriers – this will more than likely be to be able to cost-effectively offer a range of shipping options – possibly for free – to their customers.

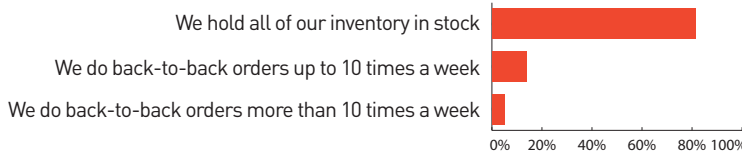


Figure 10. Do you hold all of your inventory in stock or do you do back-to-back orders?

In turn, this has an impact on inventory and stock management. Given that so many retailers are handling all their own shipping, it is perhaps unsurprising that, of our sample, 81% are holding all of their inventory in stock.

Of those not, 14% are doing back-to-back orders up to 10 times a week, while 5% are doing so more than 10 times a week. There is clearly room to improve and automate.

REPORTING AND ANALYTICS

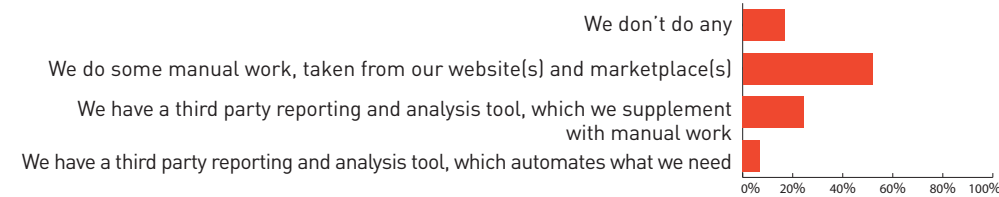


Figure 11. What reporting and analytics do you do on your business?

When it comes to assessing what is going on within the business – understanding where sales are coming from, where they are going to, how well they are being ‘done’ – again, most of our sample are doing so manually, or with very limited, easy-to-find stats.

Some 52% are using some of the tools available with ecommerce platforms and marketplaces, but are doing the analysis manually. A quarter (25%) are using some tools to automate data collection to augment these manual efforts.

Just 7% have tools that automated the whole analysis process for them. This is unsurprising, given that many smaller businesses are operating with stretched resources, but it also suggests that better reporting could save a lot of management time.

PLANS FOR THE FUTURE

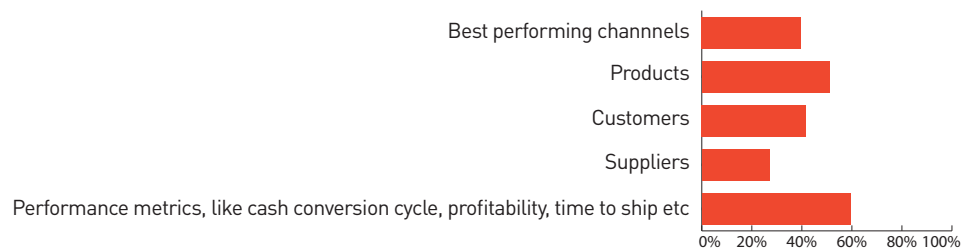


Figure 12. What areas of your business would you like to understand better?

All businesses recognise the need for analysis and understanding of what they do, and our sample shows that there is a wide ranging need for data. Given a choice of areas that they want to find out more about, the sample was largely spread over all facets of business data equally.

While performance metrics, like cash conversion cycle, profitability, time to ship etc, were the most sought after areas of data (59%), data on product, channel performance, customer behaviour and suppliers were all roughly on a par. Data is needed – data on everything.

CONCLUSION

So what does the survey tell us about real world retailers? The stand-out findings are that SME retailers are a startlingly international bunch, with only 17% not shipping overseas at all. This is extremely heartening and shows just how many retailers have already embraced the global nature of the internet to drive sales growth.

And they are doing it without much of the sophisticated technology that many larger retailers have come to rely on. The international and expansionist agenda of many retailers is still being handled in a manual or semi-manual way, relying heavily on the tools that marketplaces and platforms can offer.

That said, many are still handling their own inventory and shipping – and they are doing so with little or no real data.

The reasons for this are varied, but money seems to be the primary driver. Technology brings benefits, but at a price, and, for now, the retailers sampled in our survey are not digging deep to invest, preferring to put in time and grunt work to make it happen.

On the other hand, the commoditisation of technology – coupled with the need to compete in an ever-more cut-throat market – is going to see more of them starting to invest in technology. Much of this, however, is likely to come from working with third parties that can handle chunks of the business process in one go, leaving the retailer to concentrate on the core business of selling and expanding beyond critical mass.

SETTING UP FOR GROWTH

With your business set up and, hopefully, doing well, what are the strategic options for growth and how can you achieve them? There are myriad ways to expand, but they can essentially be thought of as expanding overseas into new geographies and territories, expanding from marketplace trading to running your own site alongside that – and eventually beyond – using new tools on existing marketplaces to increase your reach and, finally, growth through becoming more efficient thanks to automation.

Each offers ways to grow a business and each comes with its own challenges – here's how to navigate them.

EXPANDING INTO NEW GEOGRAPHIES

One of the most obvious channels for growth is to look beyond domestic borders. The internet, while not quite borderless, is border-fluid and shoppers are going to come to you from potentially all over the world – that is a ready made new market for you. If you can service it. Similarly, if your products satisfy a niche in your domestic market they are likely to also find favour elsewhere. If you produce something very specialised, then your domestic market can easily become saturated, so looking to new territories is also vital.

- **Where to start** – The first step is to evaluate the potential market you are moving into. First of all you need to look at whether there is demand for your products in that market. To get a quick idea you can always try searching Google Trends¹, which should give you a taste of whether it is worth assessing the market any more deeply.

You can go deeper, then, with high-level search engine optimisation and keyword research – and then considering the competition within the market that this data may throw up.

You can get further insight with services such as [answerthepublic](#)², which will show you what questions people are asking on the internet around your keywords or product. This is especially useful if what you are selling fulfils a special need.

If you have your own website, or indeed if you are using a marketplace, you can also look at your stats and see where your traffic and sales are coming from. This could well be the best guide to which new territories you should be looking at.

- **The basics** – Once you have identified potential markets to expand into you need to do some basic research into three things that will make or break your plan for that country or region: shipping, taxation and marketing.

You will need to understand the basics of how these are going to work in the country/countries that you are targeting to get an idea of costs and additional timings of delivery and more. We shall look at how to meet these challenges shortly, but tapping into local experts

is often the best policy – especially taxation and marketing, as these may have language and cultural barriers.

For shipping, talk to your existing carrier(s) and ask them what they know about shipping – and returns – in the region or countries you are looking to target.

- **The challenges** – The challenges facing retailers looking to expand into new territories are, to be honest, considerable. However, that isn't necessarily a barrier – if you get help with them.

The main challenges that retailers face can be broken down into a simple list: language; payment and currency; culture; local taxes; local rules and regulations; product sourcing; and logistics.

Dealing with them requires a lot of research and a lot of ground work – a visit to the country in question is probably essential. It is also essential to work with experts who already know and understand the issues.

So how do you tackle each one?

- » **Language** – If you are using your own site then look to get your pages translated by a native speaker of the language you are using. While automated translation software can work, it lacks the nuance of natural language and will make you sound silly. An alternative is to rely on images, or better still video with subtitles, as this can act as both marketing and a nice “how to...” guide to get you noticed not only online, but also on social and marketplaces.
- » **Currency** – The best way to handle issues with local currency is to use a payments provider that is versed in international payments. Your payment service provider can help you set up for international payments, often being able to offer the customer a view of what the cost is in both Sterling and their own currency. This is certainly the case for credit card payments, but increasingly payment gateways also offer this.
- » **Local taxes** – Taxes vary from country to country, so you might try and find a business accountant or friendly financial adviser in each country that can help explain this. The UK government Department of Trade and Industry also has a lot of information on its website about other tax regimes for exporters.
- » **Local rules and regulations** – Allied to taxes, payments and culture are the local rules and regulations around what you can sell. EU countries, pre-Brexit, had the same rules as here in the UK; how that might now change remains to be seen. Other markets can differ greatly, so again check out the UK Department for International Trade (DIT) website for at least the beginnings of where to look. Shipping providers such as UPS can also advise on international rules and regulations for imports, as can Royal Mail.

- » **Culture** – How people behave varies from country to country and how people shop is a huge variable. Understanding these nuances is vital. Germans, for example, are inclined to pay post-delivery when they get an invoice and rarely use credit card. Belgians, on the other hand, like to pay the courier by card. Getting local knowledge on this is vital, so cultivate some locals.
- » **Product sourcing** – As with setting up a business, if you are looking for suppliers then you need to do an exhaustive search online for those that can supply what you need. Doing that in another country is made doubly difficult by language, culture and other barriers, but the same rules apply. If you are making your own products or shipping from the UK, you must be sure that what you offer fits within the rules and regulation of that market – as outlined on the DIT website and of the corresponding website in the target country.
- » **Shipping, warehousing and returns** – Getting goods to the target country can be expensive – prohibitively so with large items or perishables, so make sure what you are looking to sell, if you are shipping from the UK, is worth doing. Once you have ascertained that there is a market for your goods and that shipping is feasible, then the best bet is to work with a fulfilment company that either is totally internationally focussed or that specialises in the market you are looking at.

Such companies – including many of the big name courier companies – will also be able to help with warehousing, returns and more as well as the shipping. Warehousing is particularly important if you are planning to ship from within the country, having found local suppliers. The local suppliers and their carriers can help with finding warehousing solutions.

Returns are a different and more complicated matter. While some carriers and logistic providers will provide a returns solution, many rely on local companies that will handle returns from customers to a local warehouse; from there it is your problem to get them back to the UK or the warehouse.

With small ticket items, many sellers consider a certain percentage of goods sold as a write-off – so that returns are just junked – and factor that into the price of the goods or the shipping or both.

- **The role of marketplaces** – One way to deal with pretty much all of the challenges of entering a new geographical market is to use marketplaces.

As we have seen, Amazon is on every continent and, while not in every country, is often the default place to start for many. Outside of this, while identifying your market and the basics, it pays to also assess and determine who are the local domestic marketplaces and how to work with them.

Using Amazon or its local equivalent – such as Tmall in China, say – will immediately give you a number of things. It will give you local presence and will give you translation of your text and offering into local language. It will also do the same with pricing and will allow you to charge in the local currency. It may also handle currency conversion for you, although you are advised to use a local bank account.

Marketplaces can also give you a leg up in terms of marketing and localisation of culture, with experts on hand to not only offer translation, but to advise on culture, rules and regulations.

There is also the added advantage that using services such as Fulfilled by Amazon (FBA) or other services from other marketplaces can also get you around the need to find shippers, warehousing and even returns – all that being handled for you via the marketplace.

Of course, this comes at a cost, but to get your business up and running it is a cost that is probably well worth paying.

SHIFTING BUSINESS FROM MARKETPLACES TO OWNED WEBSITES

The ideal progression for a business lies in setting up a presence on a marketplace, then, as you grow, move to adding in your own site. This multichannel approach gives you more resilience and helps you create a brand strong enough to establish your own more profitable website as a viable channel in its own right.

Furthermore, customer service is even more important in a coronavirus-type era and your ability to retain your newly acquired customers will play a large part in how well you can sustain your growth.

‘Rented’ platforms such as Amazon, or even Facebook are great places to start as you can tap into their existing audience, as well as their resources.

The downside is that they cost you more money, own the customers and share those customers with others.

An ‘owned’ platform such as your own website, on the other hand, lets you ‘own’ your customers – the downside is that you have to find those customers yourself.

With Amazon and other marketplaces owning the buyers’ data, how do you make that happen?

- **Marketing and Search Engine Optimisation (SEO)** – The key lies in marketing and redirecting users to your site. Amazon, for example, won’t let you actively publicise your own site, either via your presence on the marketplace or with promotional materials or messages in packages.

But that doesn't mean that there are not ways to get your message out there. For starters, you have a merchant name on Amazon that is the same as your own site/business name: so, for example, call yourself "Shirtlocker" and hopefully people will then search for that on Google or add .com et al. to find you.

Creating content and newsletters that you can share on social media is a good way to get people familiar with your brand and what you do as well. Here you can get people to link to your site from tweets or Facebook posts.

Similarly, and if you are thinking more laterally, producing "How to..." videos that showcase how your products solve a problem, or even how to assemble, install or use them, is also a great way to generate heat.

These approaches can help grow organic search traffic, but it is a long and slow process. Eventually, it pays off and delivers customers that are wanting you and your products, but it takes anything from two to four years to make this a cornerstone of your marketing.

Instead, paid advertising campaigns across social media platforms and other relevant sites are key to getting traffic to your site in the early stages of opening up your own site.

However, this is a hard job, make no mistake. Content has to be specific to regions you are targeting and, unless you sell a single product, has to be specific to niche buyers of each product or product type you offer.

It also has to be constantly monitored and assessed for profitability – and any campaign that isn't generating a good return needs to be scrapped and re-thought.

- **Optimising ad spend** – Advertising and marketing are key to driving sales, whether on your own site or on a marketplace, but be warned it covers a multitude of options from listings to adverts to social media to competitions to newsletters and more.

A rule of thumb is that businesses tend to spend around 7 to 12% of their total revenue on marketing³. Optimising how you spend this is a key factor in how you grow your business.

And there is no magic formula. However, if you can outline what you are trying to achieve – grow all traffic, improve sales on marketplaces, or on your own site and so on – then you can start to focus in on how to optimise how you spend your marketing budget.

Different types of goal are more suited to different channels, for example if you want to get a better Return on Investment (ROI) on marketing spend you might want to shift some budget from Pay Per Click (PPC) to SEO. Conversely, if you're looking to increase sales in the next quarter, you might want to turn on some paid media advertising in order to generate more immediate sales.

If your goals focus on an increase in brand awareness, or customer retention, then you might want to focus your budget towards social media and email marketing.

- **Warehousing and fulfilment** – Moving away from using a marketplace to using your own site also presents the issue of running your own logistics and warehousing.

If you are used to using a marketplace that does your fulfilment for you, you face the challenge of implementing your own methods of warehousing and shipping.

For many smaller retailers, if they aren't using FBA, they have a carrier strategy in place and moving to selling on your own site is a matter of ramping this up. Warehousing, picking and packing can also be done in-house, however, as your business scales, you may need to think about premises with enough space and the cost of employing people to help you pick and pack – as well as a dedicated manager of shipping.

Having your own warehousing is one option, but that is a cost – not least in finding, equipping and on-going ground rent – but that can help you more easily manage stock in and out.

Working then with a courier company or carrier management company then enables co-ordination of stock management, shipping and returns. There are many third party software packages that can help co-ordinate and manage this process, most of which can integrate into inventory management systems and ecommerce platform systems to create a data flow that makes it more manageable to stay on top of how your business is progressing.

Using the feeds from all of these process is one of the biggest ways to drive growth and efficiency as your business grows.

AUTOMATION WITH FEEDS

As we have seen, expansion of ecommerce – whether across your own site, marketplaces or both – eventually involves its own configuration of suppliers, operations, finance, marketing, sales, service and customers.

Yet every business would also benefit from its systems being joined up. It cuts down on time, effort and costs. As ecommerce businesses grow, they become more complex. It's a natural law. More suppliers, more staff, more processes, more customers, more products, more channels, more systems. It all adds up to more complexity.

Complexity is the enemy of successful growth and efficient, profitable operations. When it comes to systems, simplicity is the goal, and the path to that goal is flexibility.

- **Cross platform feeds** – For those looking to expand across platforms, feeds that need to be linked include stock management systems, listings systems and shipping systems, giving an end-to-end view of how the business is operating.
- **International systems** – Where automation with feeds come into their own is in managing overseas expansion using marketplace and/or domestic websites.

Such systems can help manage the feeds and purchasing from your physical and virtual suppliers, so that you've always got the right balance between overselling and underselling.

They can also automate re-ordering, or put rules in place for manual interventions.

Alternatively, if you've already got a system for supplier management, sourcing and procurement, that too can be connected and automated. Internationally, such feed automation systems can connect to your translation software, your currency exchange and management software, or other third party software.

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AMAZON AND EBAY FEATURES AND HOW TO USE THEM

New features are being added to marketplaces all the time and these can be used to drive growth of your marketplace business. So, what is available and how can you put them to work?

AMAZON SELLER TOOLS

Your Amazon seller account provides basic tools to manage products and orders, but most sellers quickly realise that to grow on Amazon, far better solutions are needed. That's where third party Amazon seller tools can help. Here are some key areas where there are tools that may help.

- **Payment tools** – tools to help you get paid more rapidly by Amazon, such as Payability, can help you get paid quickly from your Amazon sales to help manage cash flow.
- **Repricing and price management tools** – Amazon is a competitive place and price is a key to winning the 'buy box'. To keep pace with the price your competitors are charging for the same or similar goods, you need tools that will monitor prices and adjust yours for you – within limits you can set, so you don't sell at a loss.
- **Keyword tools** – Amazon keyword research tools and profit calculators allow Amazon sellers to spot profitable product opportunities across all Amazon categories. Sellers use keyword research tools to drill into Amazon's search data and uncover which products shoppers search for, and in what volume. They then plug these terms into an Amazon profit calculator to determine overall costs and profit potential.

EBAY SELLER TOOLS

Selling Manager is an online tool designed for medium-volume sellers to help manage and track listings on eBay. Selling Manager is conveniently located in My eBay.

ECOMPLIANCE API

eBay's Compliance API is designed to make sure that anyone selling on the marketplace is not violating any of the marketplace's rules and regulations.

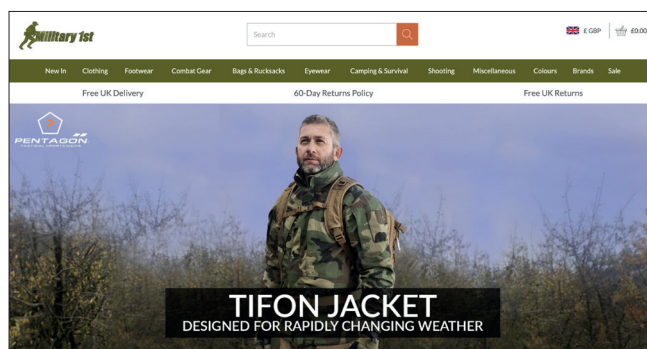
A listing violation can cause a bad buyer experience and may also prevent sellers from updating the listing until the violation has been corrected. The Compliance API is used to retrieve listing violations for different compliance types.

Once listing violations are discovered in active listings for the seller, it is up to the seller to make revisions to these listings to correct the listing violations.

Typical violations include not having the right aspects that describe the product with the information that eBay demands. There are also stipulations for using HTTPS secure URLs, as well as making sure there are no non-eBay links within the text. All violations can be found on eBay's developer pages⁴.

CASE STUDIES: LESSONS FROM THE REAL WORLD

MILITARY 1ST: FROM HOBBY TO INTERNATIONAL BUSINESS



Starting on 2008 as an eBay store selling some German-made military clothing, Military 1st has grown to be a multi-national player that services the niche market for military apparel and accessories. When he started the company, founder Michael Grzybowski was looking for some extra income while a student: soon the business took off – and his story is a textbook example of how to set up and grow an ecommerce business.

All sorts of people want military and tactical clothes and accessories, he says: because they like the look of it, as well as for fishing, camping and other outdoor pursuits. With a German manufacturer lined up he saw the perfect opportunity to service this market in the UK.

“We started on eBay in the UK because it is quite easy to do,” he says. “You have the product and they have the website, the customers and do the marketing and more for you.”

However, as his business took off, Grzybowski saw that, driven by the crash of 2008/9, marketplace trading became very much price-orientated – and he didn’t want to get into that.

“In 2008/9 and again post-Brexit vote we saw that the battle of the buy box became more fierce and prices came down and down.

Our goods are high quality and I didn’t want to get into a price war and lose margin. It was time to look at selling with my own site.”

Grzybowski also had issues with Amazon rules being misapplied and other problems. Taken together, all this pushed him to drive up the creation of his own website strategy across markets.

Today he has 13 websites – servicing the UK, US, Canada, much of Europe, Australia and New Zealand – 10 Amazon sites globally, 11 eBay sites globally, and is also on the Allegro and Cdiscount marketplaces.

Where once the company was selling most of its stuff through marketplaces, today Grzybowski sees the majority of his sales now come from his own site. How did he get there?

“Paid campaigns is the only way to get it going,” he says. “Putting paid campaigns on Google Shopping, Facebook and Instagram, including dynamic catalogues and product groups targeted at specific user groups on each, in each geography, has been really effective. Dynamic retargeting has also been really beneficial.”

Grzybowski stresses that organic search traffic is also vital – but that is a much longer game. “Organic search can deliver really good traffic, but it has taken us at least two years to build up the content and presence online to garner the right kind of SEO to bring us high up search results. It is a good way to grow your business, but it isn’t the starting point.”

Focussing back on the use of paid campaigns, he says: “Facebook and Instagram give the best results as they are all in apps and look good and drive a lot of interaction.”

However, Grzybowski offers a word of caution. “You must optimise your advertising; if it isn’t performing well anywhere then pull it straight away. Anything [that costs] up to 15% of revenue it generates is probably fine. Anything above that, we pull. Five per cent is ideal.”

The other challenge that Military 1st faced in shifting to also using its own website, was warehousing and fulfilment. Up until he got his own sites going, Grzybowski had been using FBA,

however he felt that having Amazon holding all his stock, but FBA only handling 5% of his sales, meant it made it more difficult for him to service his own customers.

“Instead we did it ourselves. We have two warehouses here in Manchester, where we are based, and from here we service all our clients worldwide,” he says.

“The key is using inventory management systems and carrier management. There are so many rules about carriers – free delivery in Germany and the US and so on – it is vital that we automate all this to stay on top of it. It also allows us to concentrate on the websites and the marketing.”

This automation of warehousing, inventory and logistics has become key to Military 1st’s modus operandi. “Pulling it all into the Volo Origin platform is vital to the smooth running of the business and is what allows us to look at the future,” he says.

“Brexit and the trade deal are a concern, we need to know whether there will be duty and where that is collected: if that is in the customer’s home country then we need to rethink our strategy to perhaps build sites locally. If not then we can carry on. The problem is the trade deals like Canada+++ etc only seem to cover B2B – we need to know what is happening with B2C.”

Aside from that, Grzybowski is looking at further growth by targeting new markets such as Israel, the UAE and Japan.

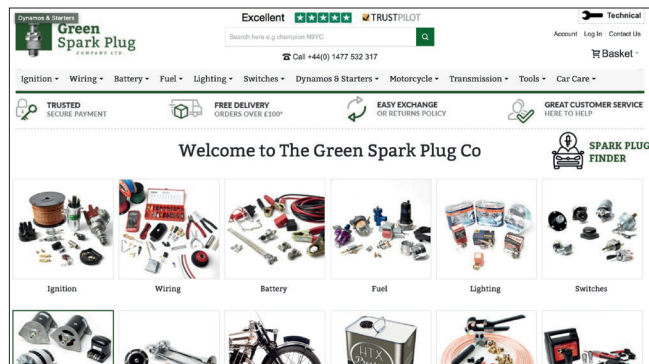
HOW THE GREEN SPARK PLUG COMPANY HAS DRIVEN GROWTH

Inspiration for setting up an ecommerce business can come from anywhere. For some it is spotting a gap in the market, for others it is a hobby that turns into something lucrative. For Tim Green it was a boyhood obsession with Morgan three-wheelers that kick-started an online business that is at once really specialised and niche and broad in its scope.

The Green Spark Plug company is the only company that specialises in spark plugs, accessories and parts for classic, vintage and veteran engines. While it came into being because Green needed spark plugs for the vintage Matchless Morgan he

used as everyday transport, The Green Spark Plug Company is now so much more – offering parts for any kind of engine, from vintage car engines right through to veteran lawn mowers and even stationary engines.

In sifting through suppliers and auto-jumble sales for spark plugs and parts, Tim Green saw that there was not only a market for these parts, but also an opportunity for a business



that could connect suppliers with customers, globally.

“Initially, I would collect parts and then attend auto-jumbles,” says Tim Green. “That in turn led to a mail order business. My son Tom then joined the family firm and has injected a new lease of life into it and saw the potential of selling online – and he now runs the website and our presence on Amazon and eBay.”

Tom Green initially created a website using Magento to service burgeoning online orders back in 2010. By 2011 the company looked to also add Amazon and eBay to its online presence. At this point it was already turning over some £10,000 per month, but Tom Green knew there was a bigger market out there if they could reach it via marketplaces as well.

The problem, as ever, lay in managing the listing of all that stock

across all these sites and then updating that as items were sold. With so much coming in and out of the warehouse – and much of it pretty unique – trying to do it manually just didn’t work.

“I looked around at suppliers and found Volo,” says Tom Green. “One of their advisers came down and looked at what we were doing and helped show us some improvements to how to run stock, how to manage just-in-time supply and showed us how other businesses operate. From that hour our business grew by 30%.”

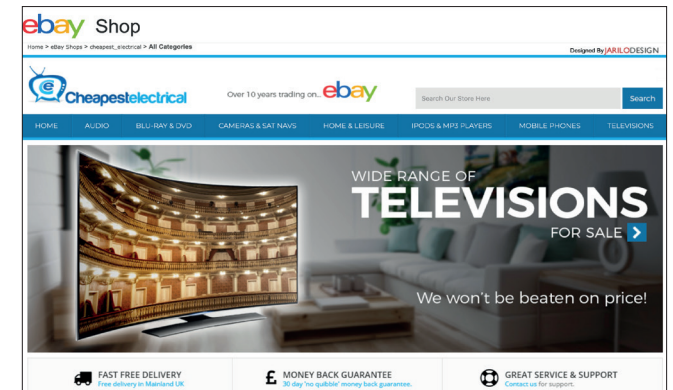
The company now has some 2 million listings of more than 400,000 products and sells across Amazon, eBay and its own website. This level of complexity – coupled with the huge variations in terms of the stock that comes in, driven by what Tom Green can get hold of – means that data management is really the only way that the business can operate at any sort of size, as well as being the only way the business could ever grow.

“Growing the business at my own pace and under own my control has been great – and the only way we could do it,” says Tom Green. “Having only had a small export business previously, now we see pretty much half of our sales coming from overseas. This has helped flatten out sales peaks from the UK racing season – which runs from March to September – as we can now also service the racing season in the Southern hemisphere which offsets that.”

HOW CHEAPESTELECTRICAL USED DATA FEEDS TO GO TOTALLY DIGITAL AND BUILD A BRAND

Cheapestelectrical has been involved in reconditioning and reselling returned and unwanted electronics for 26 years. Starting as a shop in Northampton, it has evolved through the 21st Century to become a leading site to buy all manner of electrical goods from phones to computers to baby monitors and more.

The company typically is supplied by manufacturers and retailers with returns and unsold stock on a rolling basis – starting back in 1994 with a deal with Philips Consumer Electronics – and so receives pallets of goods each month that it needs to inspect,



repair, clean and put up for sale.

Initially selling from shops, Paul Lever, the MD and son of the company’s founder, saw the potential in online selling many years ago and along with his brother, initially started to also target computer fairs and then eventually discovered eBay.

“We put on some £150 per unit baby monitors which flew off the shelves and we built it from there, expanding on eBay, which exploded,” he says.

As the business grew – especially as online sales expanded – the company faced a new problem: with so many different items for sale, and inventory that changed all the time, it needed a much better way to manage stock and moreover the listing of that stock on eBay, its own site and Amazon – all of which it was now selling through.

“That is when we turned to Volo,” says Lever. “This allowed us to have the data on what we had in stock and to list it all easily across all sites and shops in one go and, as things sold and new deliveries of different items came in, we could keep things live in near real time.”

With goods now coming in from Tesco Mobile, Tesco, Asda, John Lewis and more the retailer is wholly online and sells

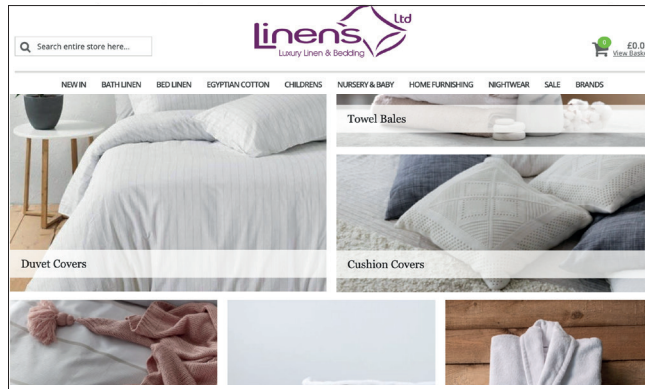
through Amazon and eBay – with its own site linking directly through to these marketplaces should shoppers find the company organically.

According to Lever, the data from the Volo system has been crucial in expanding and managing and running the business. “We use the data from Volo to list all the products on the sites, but we also use it as a sales tool. It is also vital in reporting sales and paying our suppliers. We work on a revenue share basis with the retailers who supply us, so we use the Volo data to report each month on whose supplies we have sold so that they can then invoice us each month.”

This, says Lever, allows them to put together a complete end-to-end journey for each product and track it.

Now, the retailer is looking at expanding its own website and expanding sales there. “Many other suppliers are pushing us to have our own site as well as this can deliver a third more orders,” says Lever. “Our plan for Q2 is to get the site up and running and push it. We are also looking at creating our own B2B portal to aid with sourcing, receiving and managing more products from more suppliers,” he adds.

Of course, much of this planning could be impacted by the coronavirus pandemic. “Our main concern is trying to operate while keeping staff, especially in the warehouse, safe,” says Lever. “There is also the concern that, with people buying less, there will be fewer returns, which may in turn slow sales. However, we entered the pandemic strong and with a large stock which should see us through.”



HOW EFFICIENCY SAVINGS FROM AUTOMATION DRIVE EXPANSION FOR LINENS LTD

Linens Limited, a business set up in 2005 to sell bed linens online, shows just how getting the mix of product, team and technology in place can drive growth.

The family-run business founded by Javed Akbar, Amarah Akbar and Bhupinder Mehat - each with more than 20 years of experience in the textile industry – was set up to forge a path as the leading vendor of unique, high-quality home textiles, backed up with excellent customer service and a great website.

Starting in a small office in Berkshire, the company now occupies a 100,000 square foot mill in Chadderton in Oldham and fulfils orders throughout the UK, France, Germany, Italy and Spain.

“We started the company with our own website alongside eBay then added in Amazon a couple of years later,” explains Bhupinder Mehat, “to maximise our customer reach from the beginning. Since then we have concentrated on taking in bigger and well-known brands and developing our own brand of linens, as well as expanding overseas.”

The key to this expansion has been managing how to operate

across website and marketplaces, in different geographies. “[The] Volo [platform] has made it possible to list across all these sites. This also means that when anything gets sold, from whatever platform, the stock is adjusted immediately across all platforms.”

This stock control has been vital for the company’s operations and growth. “It has made it really easy to manage,” says Mr Mehat, “as it means we don’t have to operate each platform and create individual product listings that would need to be constantly updated. This makes the process both time and cost effective.”

This has saved the company money – money that it can invest in expansion and development.

“Another excellent feature has been that we can add pre-defined carrier rules so that when an order is taken, the system will automatically assign a carrier to fulfil that order in the best way possible,” says Mr Mehat.

For example, an order of an item of a certain weight, size, location, or priority will trigger assignment of a carrier best placed to handle it in the time frame needed.

Linens Ltd also uses Volo feeds to automatically export back orders into different files organised by supplier, which the company then sends via File Transfer Protocol (FTP) or email.

“This has been really useful,” says Mr Mehat. “Automation across the board has really helped us.”

It has been particularly helpful during the coronavirus pandemic, allowing for certain staff to work from home, cutting the risk to all.

And the savings and efficiencies delivered by the system have not just been a boon during the lockdown, they are also going to drive the next level of expansion, says Mr Mehat.

“We are really excited to be launching a new website on a new platform by the end of June. We are looking to continue to expand in the countries we currently operate in and throughout the rest of Europe, as well as adding more in the coming months and years.”

TOOLS, TECHNIQUES, KEY LEARNINGS AND ACTIONS

There is, of course, a raft of tools to help you grow your online business both across marketplaces, your own website and across borders. While these tools alone are great for helping grow and optimise your business individually, in combination they can add awesome power to even the smallest ofetailers.

So what is available? Here are some tools to think about adding to your palette.

- **Website optimisation tools** – These tools will help you optimise your website and its SEO so that the right people can find you.
 - » **SE Ranking** – SE Ranking’s Website Audit tool evaluates websites against every key SEO parameter like technical setup, security, meta tags and headers, page loading speed, image, content and link optimisation, and so on. The tool uses different scanning sources like link-by-link crawling, XML sitemap, and the user’s own list of URLs. It can also scan subdomains and closed/test domains upon request.
 - » **Datadog** – Datadog is the essential monitoring service for front-end and back-end infrastructure. Now with Datadog AI-powered Synthetics, you can proactively monitor your users’ experiences, while correlating infrastructure metrics, traces and logs. With more than 400 technologies, Datadog provides end-to-end visibility across dynamic, high-scale infrastructure.
- **Warehouse best practice** – Getting the most out of your warehouse can add great efficiencies to your ecommerce business. Some top tips include:
 - » **Improved picking** – Using technology to outline to pickers the most efficient way to do the picking of their orders based on stock location and order details.
 - » **Go vertical** – Space is the biggest limitation and cost for warehousing, so go vertical and use as much of it as possible.
 - » **Location tagging** – As you go vertical or expand in other ways, use the Radio-frequency Identification (RFID) tags, barcodes or Near Field Communication (NFC) to help locate your products and aid picking.
- **Inventory management best practice** – Managing your inventory based on orders, likely orders, returns and available warehousing is crucial. Key steps in inventory management include:
 - » **Categorise** – Organise your inventory by ABC, with your A-items being those that are best sellers, B-items being those that sell moderately well, and C-items being those that are less popular, to optimise access and picking speed, as well as space.
 - » **KPIs** – Organise some key performance indicators to measure around inventory and picking, such as cycle time, carry costs, write-off costs and order tracking.
 - » **Safety stock** – Make sure you have contingency stock – especially for your best sellers – for supply chain disruption or other factors that may impact your ability to get stock in.

STARTING IS EASY

Starting up an ecommerce business is relatively straightforward. If you have a product to sell, then you can easily set yourself up on Amazon and/or eBay – not to mention a host of other marketplace websites – and start selling. The marketplace will generally bring the audience to you and help with handling payments, shipping and more, so is an ideal place to start in ecommerce.

GROWTH IS MORE DIFFICULT

The problem with marketplaces as you scale your business is that they own the audience and they share that audience with all your competitors. This leads to price becoming a major factor in being selected for purchase. If you are looking for a good margin then you may struggle on a competitive marketplace. When it comes to profitable growth, this can be a hindrance.

SET UP YOUR OWN SITE

The logical next step in growth as your marketplace selling takes off is to try and add customers to your own website. It is more profitable and being ‘multichannel’ builds your resilience. Here, you will ‘own’ the customer and will be able to market to them, offer them deals and so on. More importantly, you can control the price. Many of you will have your own sites already, the trick is how do you get people from the marketplace(s) you use.

ADVERTISING IS KEY

Raising awareness of your own site in an attempt to offer shoppers alternatives to marketplaces, or simply to organically cultivate customers is hard, make no mistake. The key lies in starting with advertising – online, on social and in games and other content – to raise direct awareness among new customers and to get your name out there in front of those shoppers who may have purchased from you previously on a marketplace or elsewhere. Good old fashioned ads are the vital first step – and make sure you look at how you use them to target niches, sub-groups and more.

WHAT ABOUT SEO?

The next step is using SEO to get your site high up the list of search results ahead of Amazon and your competitors on Google, but SEO takes time. To be effective you need to generate a lot of core content and mentions – articles, blogs, videos and more – around the verticals

and niches that your product services. If you can do it in a year, you are ahead of schedule. So, while working on advertising, you need to be making 'how to...' videos, writing helpful articles and generally becoming the expert in whatever it is you are selling. This, together with advertising, will then start to grow your organic traffic.

DON'T GIVE UP ON MARKETPLACES

However, don't give up on marketplaces. While the aim of the game is to drive people to your website again and again – and to get them to tell all their friends and relations to do the same – marketplaces still have a vital role to play in a growing business and it spreads risk across multiple channels. They are also going to be a constant source of sales and they will bring new customers to your business.

GOING INTERNATIONAL

Deliberately targeting new geographies is also how you are going to grow and develop your business. A key starting point for this lies in marketplaces in those regions. Just as you have done with starting your business domestically, so you need to put a toe in the water overseas with marketplaces – they will bring you the audience, help with shipping and do all the difficult stuff like translation, pricing, payment collection and even currency conversion.

NEXT STEPS IN INTERNATIONAL GROWTH

While all the same principles apply to doing it overseas as they do domestically (as outlined above), the added challenge comes with localisation of websites. They need to be in the local language, priced locally, feature local delivery and adhere to local customs and practice. This is harder than it looks. While you can translate your website and run it as one site with several 'versions' as tabs, most ecommerce practitioners agree that having separate, individually run and managed sites, with attendant local marketing and SEO is the way to go.

GOING LOCO

To achieve the above localisation of ecommerce, you need to find good local experts that can do a proper translation for you – it has to be right, or prospective customers will dismiss you as a fake or worse. They also can advise on pricing, tax and more. Working with local suppliers and distributors can also help, but bear in mind that that adds a whole new level of

local complexity to the process. When starting out you perhaps need to look at how to service these markets with warehousing, picking and delivery from your own country and factor in the additional costs into the prices you charge.

WAREHOUSING, SHIPPING AND RETURNS

Whether you are operating just domestically or are cross-border, as your ecommerce business grows you will be hit with the increasing complexity of supply and demand. Many start-up ecommerce businesses literally start in people's spare bedrooms or garages and for a time this can work as an office, warehouse and packaging department. As you grow, this soon becomes unworkable and you have to think about warehousing. Working with carriers to create the kind of variety of delivery options you need – next day, 2-3 working days, free and so on – will help you manage that side of things. Working with returns carriers will also help. Managing all this together with a warehousing data solution also makes things easier to keep on top of.

DATA FEEDS ARE KEY

To simplify how you operate as you scale you need to make it more efficient. This requires pulling together all the data available from across the business to understand and manage what is going on. Pulling in listings for websites and marketplaces here and overseas, linking that to supplier orders, matching it all to warehoused stock, picking and shipping are all vital to get an holistic picture of your business. It is also the key to making it work with as few staff and overheads as possible. This can't be stressed enough: to get past that growth hump of having enough orders to grow, but not enough to have hundreds of staff, requires automation and automating around data feeds is going to be key.

KNOW YOUR BUSINESS

It is hard to do any of this with confidence if you don't know what is really happening in your business. You should take a leaf out of the marketplaces' book and really understand the customer experience so that you can turn new customers into repeat customers. Ideally, then, you should invest in software that gives you clear and current visibility into everything – sales and stock levels, buyers and borders, customer service and channels, promotions and profits, suppliers and shippers, refunds and returns. Automation, in the form of automated reports and analysis of your key performance indicators, can save you masses of time and help you make better decisions.

STRATEGIES FOR GROWTH

Even in hyper-uncertain times, ecommerce offers an exciting and potentially lucrative business opportunity to many. Starting up your own business is exciting and rewarding, but it comes with challenges – challenges magnified if it is a success.

In this white paper we have shown how you set up a business and how, more crucially, you expand that business both at home and abroad. In doing so, we have touched on the many challenges and offered some advice and some real-world examples of just how to overcome them.

Our survey has shown that most smaller retailers are expanding and that they are looking overseas to do that. They are also looking at how technology is going to make that possible.

The crucial point to bear in mind is that a technology-led business such as ecommerce relies on data and data leads to automation – this is something that can play a big role in helping you scale your ‘backroom’ business into, well, a truly multinational affair.

Many businesses grow successfully, powered by their founder and their friends, but then hit a wall. To expand further they need more stock, staff and bigger premises, but those things can’t be invested in until the company hits growth. One key way around this is to look at how automation of data processing can help add efficiencies, without sacrificing quality, so that it is possible to expand and grow without having to risk all on investment.

While there is a raft of techniques needed to grow a business, looking at where technology can help automate and streamline what it takes to run the business efficiently is a central pillar of what it takes to grow.

We have seen what real businesses are doing and how automation of feeds and other processes has played a vital role in their progress. We have also concluded, from our exclusive survey, that automation is both a key facet of retailers strategy as well as a key want for the future.

Within this we can see that to be truly cross border – which let’s face it is where the growth is – you need automation, data and visibility more than ever to manage the complex web of supplies, orders, returns and more.

Ecommerce is having a moment right now and it has cemented its place in minds of shoppers like never before. This white paper gives you a starting point in how to tap into that growing demand and how to scale up your business. Good luck.



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