



PRACTICAL ECOMMERCE

BACK TO BASICS

IN THIS WHITEPAPER

- 3 Introduction
- 4 The roots of retail
 - 5 Choosing your niche
 - 6 Who are your target audiences?
 - 7 Room to grow: scalability
- 8 From in-store to internet: Digital Transformation
- 10 Fast & slow: quick launch and the long game
 - 11 Use a quality CMS
 - 12 Quick launch with MVP
 - 14 Shipping and fulfillment
 - 15 Sources of web traffic
 - 16 Adding value
- 17 The customer is king
- 19 Look to the future: headless commerce
- 20 Conclusion



INTRODUCTION

Imagine you want to buy something. What's the first thing you do?

You **look it up on the internet**.

Studies show that [the market share of eCommerce has tripled since 2007](#), and that just having an [online presence influences up to 56% of in-store purchases](#).

The continuous evolution of commerce over the years has meant that both merchants and consumers have had to progressively adapt to various trends in order to keep up with ever-changing buyer behavior and the meteoric transformation of technologies.

Buyers have never had more options than they currently do, and business owners have never had access to as many channels, either. Online stores, marketplaces and social media, in particular, have revolutionized marketing strategies, and made it easier for both vendors and consumers to engage in transactions.

Considering all of this, it's important to plan for the future, but it is even more important to **check the foundation of your eCommerce business** and ensure that it is sturdy and built for long-lasting success.

In this paper, we'll give you insights into:

- Tried-and-tested methods of practical eCommerce
- Core guiding principles for success
- The best tools to ensure the longevity of your business
- Achieving quick, cost-effective results

"There has never been an easier time in history to build a business PERIOD. The cost of entry is lower than ever before. The ability to access & qualify experts is much easier. The ability to speak directly to your customers and make adjustments has never been easier."

Eric Carlson, Co-Founder of 10x Factory

The trick is finding a way to take advantage of modern commerce technologies and tying them together with proven, existing methods to ensure your business achieves scalability.

Let's get back to basics.

THE ROOTS OF RETAIL

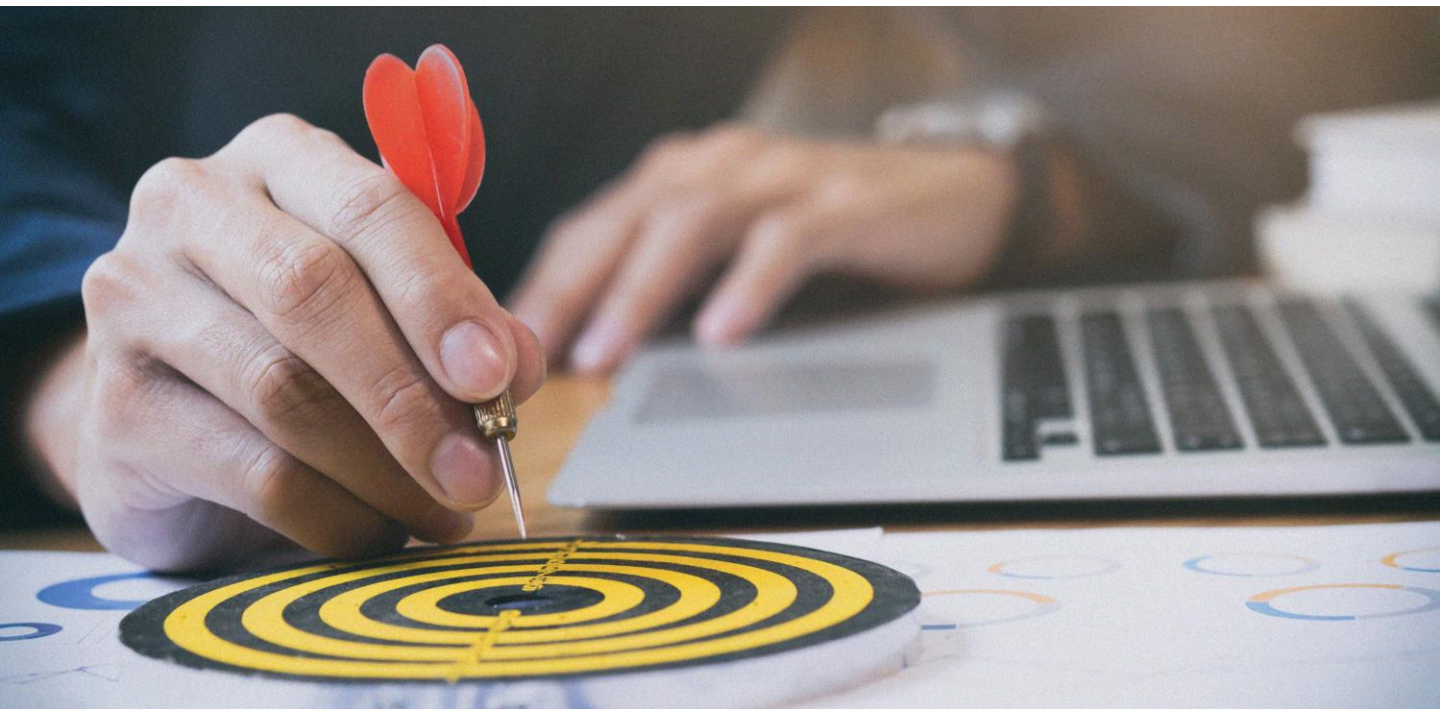
The oldest trees have the deepest roots, and the most successful businesses are based on age-old principles of business strategy.

Innovation and sparkling new technologies are all well and good, but without a firm basis in solid business practices, these fancy tools are worth nothing.

Online shopping is still a young sector in the grand scheme of things, but it's also the fastest growing. Going Digital is the most important new development for all retailers, but what lessons is online commerce learning from traditional, offline stores? What are the guiding principles for eCommerce retailers, and how have well-known brands built on these foundations to achieve global domination?

Three cornerstones of retail that you can apply to your eCommerce business:

- Find your **niche** in order to stand out
- Identify and understand your **target audience**
- Allow for **scalability** in your business plan



CHOOSING YOUR NICHE

One of the first and most important steps in starting a business is finding your niche market. Establish an attractive niche/market/industry through extensive research and analysis of your ideas. Once you have settled on an idea, you need to make sure that it represents your interests and passions, and that it has little competition but lots of potential for growth.

Your niche will **determine what products and services you place focus on** and the type of partnerships you'll invest in. Choosing an area of specialty not only **gives you focus and a clear sense of direction**, but also ensures that you don't spread yourself too thin, and it connects you with a dedicated audience.

Other benefits include helping you to connect with sponsors, advertisers and other businesses, as well as allowing you to apply targeted marketing. When you have a specific audience to target, your business will be more likely to appeal to sponsors because they will have a true sense of who is being marketed to, as opposed to when a more general approach is taken and there is no clear indication of which customers your business will help them reach.

Which brings us to the next point...

WHO ARE YOUR TARGET AUDIENCES?

Identifying an under-served market and then establishing a target audience helps your brand to develop effective marketing strategies and direct efforts in the most efficient way possible. Ask yourself who stands to benefit the most from your product/service and then build a marketing strategy that appeals most to that group.

Understanding the needs of your customers **requires research, such as focus groups and market surveys**. It can seem like a lot of work at first, but will be worth the time and money spent in the long haul. You'll have a focused approach and reach the people who are most likely to interact with your brand instead of spending money unnecessarily by casting your net too wide. When you limit the demographic you market to and focus on a specific customer segment, you can **employ cost-effective strategies, directing research and budgets to the consumers with the highest profit potential**.

You should then be able to **personalize your marketing strategy**, which will not only increase your brand's standing, but also the likelihood of repeat purchases and customer loyalty. Personalization lets your customers know that they are all recognized as individuals with unique preferences and needs, and that they will be treated as such.

Once your niche and target audiences have been established, you can create an online presence and market your brand. Limiting your product offering and your target market, however, doesn't mean that your business will not have room for growth in the future. What it means is that selecting a niche is useful when building your foundation. It is a basis from which to develop and continue to grow in the future with an established customer base already firmly behind you.

The best example of a well-known eCommerce site that started small and later branched out to great success is Amazon...

ROOM TO GROW: SCALABILITY

While it now has an estimated 2.012 billion monthly visits, Amazon started as a humble online bookstore in 1994. Amazon later branched out and started selling different products, from electronics and furniture to apparel, food, toys and even media. Having started off in the US, the company has expanded to 14 marketplaces globally and so supports international selling. It is the uncontested global leader of eCommerce, with the largest sales and profits in the world. What this shows is that establishing a solid foundation based on an efficient strategy and a quality product can result in steady but significant growth for your business.

Choosing and implementing an eCommerce business model that fits your business goals and objectives is imperative to building a solid foundation. Consider your competitive advantages and the resources you have available to you, and use them to stay ahead of the competition.

Building a scalable online business requires you to prove that **your product or service is suitable for the online market** and that the **demand for your services is high enough for your business to be profitable**. A strong base product ensures easier expansion in the beginning, and allows you to continue to branch out into other related products and services in the future as well to ensure a long-lasting and profitable business.

You can achieve this by having powerful systems such as strong eCommerce software, which will assist you in managing the time-consuming details of online business dealings and free up time that could be better spent focusing on the parts of your business that will drive growth and expansion. While there exist many different offerings of eCommerce software, there are a few key ones that you should be aware of and know how to leverage to make your company a success.

FROM IN-STORE TO INTERNET: DIGITAL TRANSFORMATION

Online marketplaces have been on the rise around the world since the mid-1990s and this has had a major impact on eCommerce trends, revolutionizing modern consumer behavior. A [Gallup survey](#) notes that 2 in 10 small businesses have expanded their eCommerce presence over the last two years, and 11% say they plan to increase their eCommerce efforts in the coming year. Further research indicates that eCommerce has made a significant positive impact on the B2B market by enabling improvements to supply chain processes and lowering overall operational costs. It has also helped small businesses sell directly to customers and allowed businesses of all sizes to launch virtual stores and diversify what they offer. With eCommerce, brands reach more customers and are able to better accommodate customers who prefer online/mobile shopping.

Most eCommerce managers will often design their own websites for basic eCommerce functionality, and frequently make use of established marketplaces like Amazon to sell their fast-moving products. There are other online spaces that can be leveraged to sell wares, including social media and more product-specific, niche marketplaces. Using all the avenues available to you, also referred to as the Omnichannel approach, makes it easier for your business to see the desired growth rates.

For this to be a profitable strategy, you need to **identify the online marketplaces that are most suitable for your business**, since each marketplace has different requirements and audiences. Since online marketplaces provide a variety of products from numerous vendors with different niches, there is no shortage of online marketplaces that you can utilize to reach consumers and either sell them your product directly or draw them to your eCommerce site. The most important factor to remember in this regard is that you need only use the channels that fit your brand and target audience.

The goal is to **establish a strong online presence** and then take advantage of all the options available to you. First and foremost, however, is getting the basics right by offering a great quality product and service, and then **getting an eCommerce platform** when you go online. Choose a platform that suits you and the specific needs of your business. From that point you can use the platform to help you achieve a uniform view on all the different channels you use, based on your internal strategy and a distribution network that suits your specific requirements. With a view to scaling your business, it's recommended to enlist the help of an eCommerce platform like Magento Commerce®, which handles an extensive product line, is search engine optimized and offers advanced Application programming interfaces (APIs) with the ability to integrate with Enterprise resource planning (ERP) and Customer relationship management (CRM).

8 B2B FEATURES OF MAGENTO COMMERCE[©]



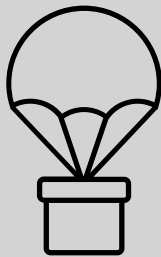
1. Custom catalogs for different customers

Multiple users can be assigned to each company as configured by the admin so that companies only see the products & pricing applicable to them.



2. Purchase orders

Allow B2B customers to pay for purchases by utilizing a preapproved PO number.



3. Quick order functionality

Reduce the time and steps required to and allow customers to order multiple SKUs in various quantities all at one time.



4. Cart to quote requests

Customers can use the contents of their cart to request a custom quote. Merchants can respond to requests with proposals & unique product & shipping pricing.



5. Account management tools

- Account managers can import & export customer lists
- The customer self-service tool allows B2B customers to request & manage company accounts
- Sales Representatives can be assigned to selected account.



7. Requisition lists

Buying guides for unique companies or industries.



6. Unique tiered pricing for customer groups

Offer a quantity discount to a specific store view or customer group.



8. Approval Process

Merchants can accept or reject bulk orders for added control over sales and inventory.

FAST & SLOW: QUICK LAUNCH AND THE LONG GAME

E-retailers face a dual task when getting ahead – ensuring they have quick rollout capabilities for new aspects of their business operation, but also the staying power to have sustained growth in the long term.

In the fast-moving world of eCommerce, it's important to **stay ahead of your competitors**. That **means moving ahead without hesitation** when you spot an opportunity, being able to roll out new products, services, campaigns and anything else you can dream of without wily systems and decision-making processes getting in the way. Implementations that take years are no longer the norm, as eCommerce solutions need to be flexible enough to meet rapidly changing consumer needs and be able to accommodate new innovations.

This flexibility allows vendors to not only support various B2B selling models with native B2C-style functionality, but also allows them to sell to both businesses and consumers using a single platform. It also assists B2B merchants with expanding to new markets easily, and allows simplified integration of technologies to continue to enhance their core eCommerce platforms even as new solutions keep emerging.

At the same time, **you want to be in it for the long haul**. To ensure your great business ideas aren't just a flash in the pan, but remain in the market for years to come like Amazon, you need to **stick to a solid business plan** and follow the processes you lay out to the letter. While the growth of your business may be faster or slower depending on your particular product, the state of the market and your place in it, you need to ensure your organization is prepared for an upscale in orders, profits and sales at any level.

When you make preparations for the fast launch of your eCommerce business with stable growth in mind, there are a number of factors to consider:

- Content Management Systems (CMS)
- Quick-launch strategy and Minimum Viable Products (MVPs)
- Building up web traffic
- Shipping and fulfillment
- Value added services

USE A QUALITY CMS

Just as in brick-and-mortar stores, it is essential for owners of eCommerce sites to be able to make changes to their stores. This includes such important points as product designs, editing product descriptions, adding/removing discount codes, and changing product sequences, to name just a few.

This can all be achieved with a Content Management System integrated into the eCommerce platform you use. This will include intuitive tools that are easily available and make an eCommerce store flexible. A proper CMS should allow you to craft personalized content pages and promotions with a simple drag-and-drop function and no complicated coding solutions. It will let you create your own bespoke customer experience to deliver the smooth path to purchase that shoppers will need on your website. It will let you maintain and change your site contents whenever you like, allowing for maximum flexibility to best serve your customers and attract new ones.

QUICK LAUNCH WITH MVP

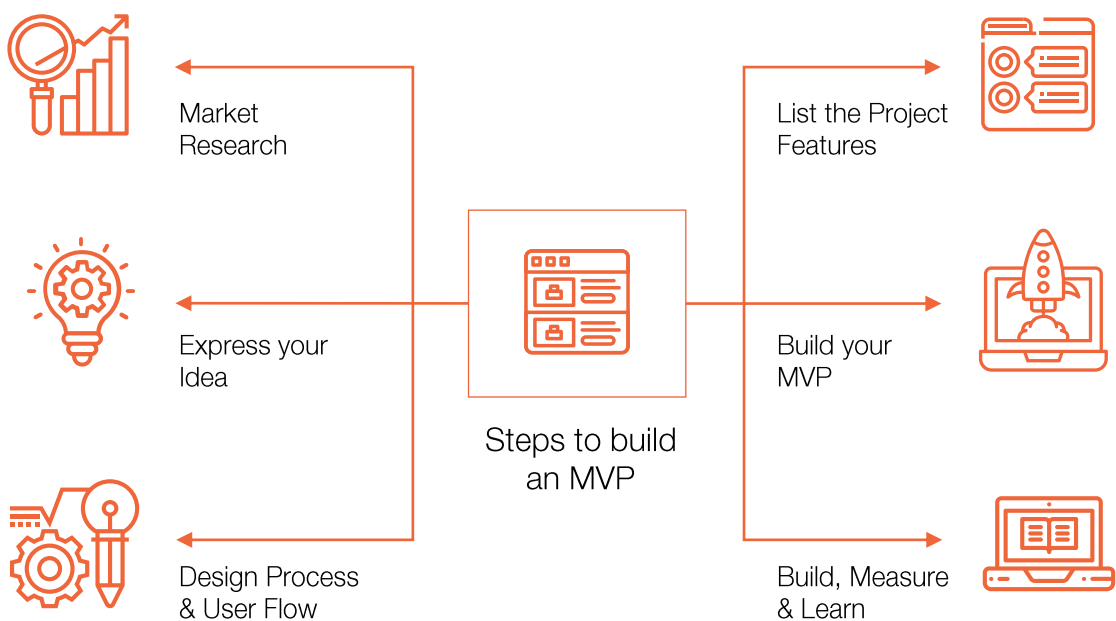
Quick launches will help your company roll out new features for the eCommerce store within a matter of just weeks. A Minimum Viable Product emphasizes the importance of instant feedback when developing new products and features of the store. An MVP is...

"...that version of a new product which allows a team to collect the maximum amount of validated learning about customers with the least effort."

Eric Ries, American entrepreneur and author of The Lean Startup

An MVP helps in designing, testing, and delivering the final product. You can launch a product quickly with a small budget, and collect users' feedback for the primary product to make use of it in future iterations. [29% of startups run out of funds](#) and fail, while startups that scale properly grow 20 times faster than those that scale prematurely. With an MVP you can find your target audience to create more and better ideas while saving time and money.

With an MVP approach, you can launch first, then continue to add complexity in multiple phases as your business grows. Try these six steps to building an MVP:



QUICK LAUNCH WITH MVP (CNT.)

STEP 1 - Market research

Before you initiate an idea and start the development process, ensure that it fulfills the target users' needs by conducting surveys and gathering information to increase your chances of success.

STEP 2 - Express your ideas

Figure out what value and benefits your product offers to its users.

STEP 3 - Design process and user flow

Make your designs convenient for your customers. Define and clearly lay out your user flow by focusing on basic tasks such as finding and buying the product, managing and receiving orders.

STEP 4 - List the project features

List all the features that you want to incorporate into your product before you start building the MVP and categorize them by order of importance to give you an idea of what you should be prioritizing.

STEP 5 - Build your MVP

When you have selected what you want the main features to be and have learned about the market needs, you can create your MVP. Bear in mind that it must be easy to use, engaging, and suitable for your users.

STEP 6 - Build, measure and learn

The process would begin with first defining the scope of work, followed by moving the product to the development stage. Thereafter, the product needs to be tested and the first testing stage conducted.

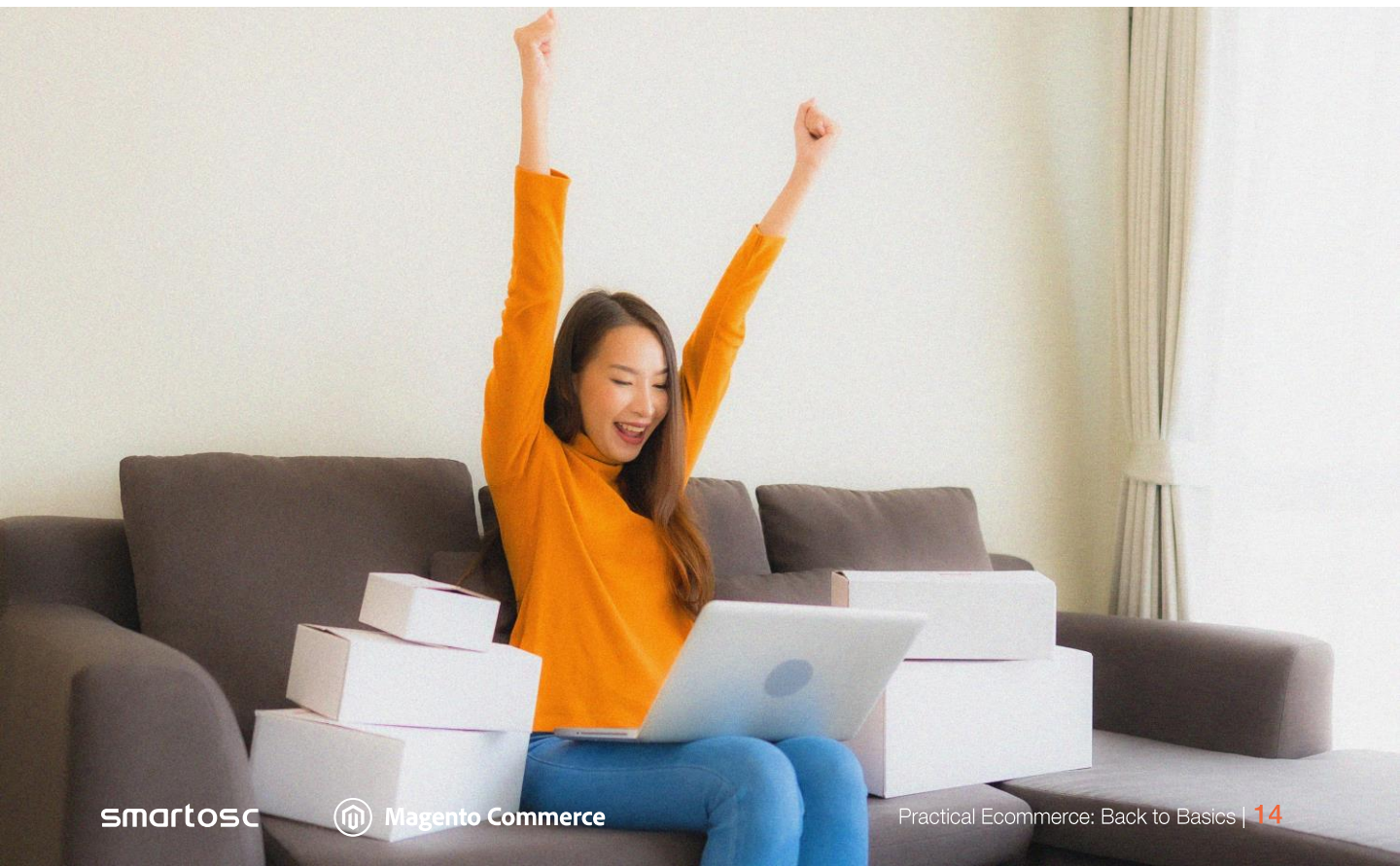
SHIPPING AND FULFILLMENT

Shipping and fulfillment can be difficult to figure out when starting an eCommerce business, but it is a core part of the company's modus operandi. The shipping policies and prices you choose can make the difference between converting a visitor into a customer, and an abandoned cart. Streamlining the process for delivering goods will save you money on transportation costs, result in faster delivery time to your customers, and allow you to use the available warehouse space more effectively.

Drop shipping vs. Order fulfillment

If the product you're selling is not in your warehouse at all, but held by a third party, then it may make more sense for you to choose drop shipping, where you simply order your supplier to send the product directly to the customer. You will never actually handle the product, but only act as a middleman. Another option is to have a full order fulfillment service where you store, package and send the products out to the consumer yourself. Or you could use a mix of the two for a hybrid method.

Bear in mind, too, that your needs may change as your company grows in size and complexity and your product range expands. It's important to be flexible in this regard and adapt your business processes as you go along.



SOURCES OF WEB TRAFFIC

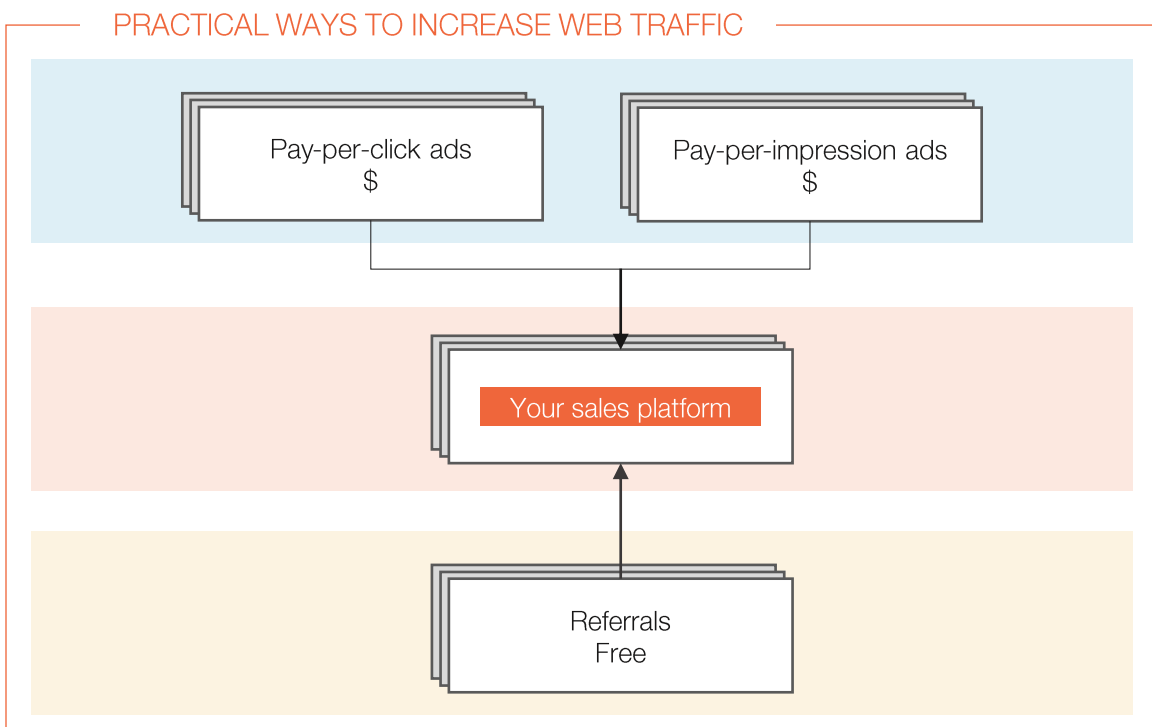
When starting out, the practical ways to get more traffic to your eCommerce site include referrals, when people come to your site by clicking on a link from another website or from a social media post, and paid ads, either Pay per click (PPC) or Pay per impression (PPI):

- **PPC:** where you pay for each of your ads someone clicks on
- **PPI:** where you pay for each time your ad is published on a site

A major driver of PPC is the immediate results that it brings, with the major benefit for new startup companies that you only pay for what you get, for the actual leads to your retail site. PPC campaigns that are carefully constructed will provide leads, traffic and new customers almost as soon as the ads start running.

PPI ads, meanwhile, have the advantage that there will be more of them. As such, they tend to work out more expensive than PPC ads, but they are ideal if your main goal with a certain campaign or in the early stages of your business is to raise brand awareness instead of forcing more sales.

There are many more ways of choosing paid ads that serve for various specific styles of marketing campaigns and which you might want to look into further down the road. Referrals, meanwhile, are free and you should take every opportunity you can to post links to your site's landing page or specific product pages from social media, and encourage external third parties to mention you in their own posts and on their websites.



ADDING VALUE

As you go along, and your new eCommerce site gains more visibility within your niche market and becomes more successful, you may want to think about providing additional, non-profit services to your customer base.

These can include such value-added techniques as a blog for your website where you can discuss topics related to your field of expertise, or a customer service dedicated to offering advice on best practices for use of your particular product offering. It could even extend to hosting conferences and other events which not only show off the best of what you've got to offer, but also let those within your sphere of activity know that your business is an expert at what it does and that you care about delivering additional value to your customers.



THE CUSTOMER IS KING

Creating an efficient customer journey for a better experience

The customer journey is the process by which a customer interacts with a company in order to achieve a goal. The customer experience used to be simple, but over time the evolution of technologies along with consumer behaviors and expectations has made the process more accessible, yet also more complex.

Customer service

Ecommerce stores need to provide a way for customers to check-out efficiently and quickly. Research shows that [93% of buyers are more likely to make a repeat purchase](#) if that brand has excellent customer service. Additionally, good customer service [increases customer retention rates by 5%](#), allowing profits to go up anywhere from 25% to 95%. The importance of excellent customer service cannot be overstated, since it plays such a huge role in customer retention and loyalty. By providing top-tier customer service, businesses are able to regain customer acquisition costs and create a loyal following. This in turn provides positive testimonials and reviews and refers more new customers to your site in a virtuous cycle.



THE CUSTOMER IS KING

Ease of use

Make product discovery faster and easier in order to avoid frustrating customers. When customers visit your eCommerce site with the intention of purchasing particular products, it goes without saying that the faster they can find the product and check out, the happier they will be. [Web metrics](#) from thousands of eCommerce sites showed that smaller retailers tracked a longer time on site (200 seconds) than larger retailers (70 seconds), and smaller retailers tracked a higher bounce rate (34%) than larger retailers (9.4%). The reason why smaller retailers are able to keep visitors on their websites longer than larger retailers but ultimately see a larger share of those visitors navigate away from their site is that on the smaller websites, shoppers spend more time trying to find products and then leave because they can't find them. Bigger retailers, on the other hand, are making product discovery easy for customers and purchases are being made more frequently because of it.

Checkout

To avoid long and complicated checkout processes, you should be offering accelerated checkout methods. Additionally, the single most common reason that shoppers abandon their carts is due to surprise extra costs. If your customers need to pay duties, you should let them know ahead of time by using a third-party app to estimate the cost of duties for an order at checkout.

Payment

Other ways of improving the customer experience include the use of reliable payment gateways that your customers can trust, and since research shows that [92% percent of shoppers prefer to make purchases on sites that price in their local currency](#), localizing the entire shopping experience will work to your advantage if you sell to an international customer base.

Using the data

While these rough guidelines generally hold true for the quality of your customers' interactions with your brand and your site, each business is different and has different end users. The best way to get to know your customers and what's right for your business is to analyze your customer data. This is where the importance of having registered users comes into play. Use the numbers about current consumer behavior to predict what your customers want and need. For this, additional tools for CRM can help to organize and analyze the numbers, or even a more advanced Customer Data Platform (CDP) to automatically segment the audience, identify consumption patterns and suggest targeted selling strategies.

LOOK TO THE FUTURE: HEADLESS COMMERCE

Making all these improvements to your site and your strategy will enhance the customer experience and increase your sales, but it can take a long time to develop. Customers have become used to consuming content and making purchases through various touch points to such an extent that **eCommerce platforms are struggling to keep up** with their demands. **The solution is to switch to headless commerce.**

Simply put, **headless eCommerce is the separation of the front end and back end** of an eCommerce application, giving brands the freedom to develop however they want while also improving the customer experience. In a traditional eCommerce model, new projects can require updates to both the front- and back-end system, making even the smallest of changes frustrating to accomplish. Full-stack solutions don't provide businesses with flexibility, whereas API-based solutions give brands the opportunity to make use of the best capabilities that match the system with the brand's needs. Headless content management capabilities provide a CMS that stores, manages and delivers content without a front-end delivery layer.

If an eCommerce solution is chained to the front-end experience, changes to either the commerce engine or the experience layer require changes in both systems. It's important to continue to modify traditional eCommerce systems to keep up with the pace of change.

With a headless platform, the "head" or front end has been decoupled and removed, which leaves only the back end. This way developers can then use APIs to deliver things like products, blog posts or customer reviews to any device, while front-end developers can work on presenting that content using any framework of their choice. This clear separation of roles and responsibilities promotes consistency and speed on both ends.

With the headless commerce system, you can get the best of both worlds with no confusion caused by functional overlap. It's not only a future-proofing alternative, but it also improves customer experience. Customers' needs change along their buyer journey, but they should receive a consistent experience across all touchpoints no matter how or when they interact with your company. Personalization engines can power CMS, mobile apps and social channels with custom offers made specifically for that customer.

Headless commerce allows you to roll out multiple sites across brands, geographies, divisions and portfolios, and to onboard new channels and touchpoints quickly. Crucially, it offers you the opportunity to deliver a consistent and personalized customer experience, rooted in those basic principles you outlined for your business at the start.

CONCLUSION

Applying the essential foundational processes is just as beneficial when starting a business as it is once your business has become established. The right strategy paired with the ideal eCommerce platform not only gives you a head start when you need it, but allows your business to continue to grow over time.

There is no one perfect strategy that is applicable to every single brand, but there are certain established steps which it is recommended to take when building a solid structure for your business:

1. Find your niche market
2. Understand your target market
3. Build your business with the flexibility to grow in future
4. Launch your online store with a reputable and powerful platform
5. Release new products fast and adapt them as you go along
6. Choose the right delivery method(s) for you
7. Increase traffic to your website
8. Try providing more value to your customers
9. Keep improving based on your customers' needs
10. Consider going headless

Following these steps will take you from small-scale enterprise to large, and ensure the longevity of your business.

It's a marathon, not a sprint, but you still want to hit the ground running.



CONTACT US

Email	support.b2b@smartosc.com
Website	www.smartosc.com
LinkedIn	linkedin.com/company/smartosc
Facebook	facebook.com/smartosc/
Twitter	twitter.com/smartosc

Vietnam	(+84) 24 7108 1222
Japan	(+84) 24 7108 1222
Singapore	(+65) 917 281 33
Thailand	(+66) 8 3510 1378

US	(+1) 425 243 4583
UK	(+44) 20 8390 2587
Australia	(+61) 1300 588 953