

Selling everywhere

Meeting the challenge of working with multiple digital marketplaces

Making diversity work for you

Both online and offline, consumers shop at different retailers for different reasons based on their individual habits. Some will shop online and buy at a brick-and-mortar store. Others will do exactly the opposite.

The goal for every manufacturer is to discover where consumers prefer to shop online for their products—and then expand into those digital marketplaces. So when the consumer is ready to buy, the manufacturer will be there with the right e-commerce solution.

Indeed, the growth in digital marketplace sales is nothing short of phenomenal. In 2016, sales among online marketplaces around the globe exceeded \$1 trillion. In the U.S. Amazon.com led with way, with sales approaching \$300 million—representing 20.3% growth year-over-year.¹

To successfully tap into this opportunity, manufacturers need to identify which digital marketplaces to focus on—and then, make the shopping and buying experience as seamless as possible for consumers, no matter where they engage with the brand.

In particular, manufacturers want to ensure that the brand experience is consistent across EVERY digital marketplace, including how:

- Brand image is portrayed and reinforced
- Products are ordered, fulfilled, shipped and ultimately arrive at the customer's front door
- Customer service—including *after* the sale—meets customer expectations; such as how returns are handled

Maintaining a high degree of *consistency* from marketplace to marketplace is especially challenging for manufacturers, because every one has different operational requirements. For example, a manufacturer might sell the same product at five different digital marketplaces. That same product would need to be ordered, fulfilled and shipped five different ways, to accommodate the unique requirements of each marketplace.

These e-commerce sites include three categories:

1. **Broad digital marketplaces**, such as Amazon.com and Jet.com
2. **Storefront digital outlets**, like Walmart.com and Target.com
3. **Category (“dropship”) marketplaces**; for example, eBags.com

¹“Sales on Online Marketplaces Cross \$1 Trillion in 2016.” DigitalCommerce360.com. July 11, 2017.

A closer look at marketplace requirements

The unique fulfillment requirements of digital marketplaces can be grouped into five broad categories:

1. **Integration:** For example, each marketplace has its own file mapping structure. One marketplace may use the first field for the product number. Another marketplace may use the same field for the product description. As you might imagine, the variances create enormous complexity. Manufacturers need to not only understand these differences, but also accommodate them in order to maximize efficiency.
2. **Fulfillment:** Each digital marketplace sets its standards based on visitor expectations. Some marketplaces may require same-day turnaround in the fulfillment center. Others may allow for 24-hour turnaround. Consumers want their purchases literally *at the speed of NOW*, so expect fulfillment requirements to continue to be increasingly aggressive.
3. **Packaging:** To reinforce the brand experience of each, digital marketplaces often have very specific requirements for packaging. To support the seamless brand experience that these marketplaces want and their visitors expect, manufacturers must be prepared to meet the unique packaging needs of each marketplace.
4. **Packing list:** Digital marketplaces may want packing lists to be individually branded as well, to further support the consumer brand experience.
5. **Shipping:** Many digital marketplaces require that products be shipped via their own carrier accounts. As a result, a manufacturer needs to ensure that the right shipping label is generated for every package, every time.

As you can see, there's no "one size fits all" thinking in the world of digital marketplaces. Each is unique, has its own sets of challenges—and requires manufacturers to be as innovative and nimble with fulfillment as they are with product development.

What can brands do to address this enormous diversity, while consistently meeting customer expectations—regardless of where they shop online?

Partnering with the right fulfillment center

According to manufacturers across a broad array of industries, meeting the diversity challenge is best left to a fulfillment center that specializes in direct-to-consumer (DTC) logistics.

After all, manufacturers are in the business of creating consumer value via the brands they develop. These manufacturers AREN'T necessarily in the

A growing number of manufacturers are making partial or even *full* use of digital marketplaces for DTC sales.

Indeed, some brands have no e-commerce presence that is *exclusively* their own—but choose instead to rely 100% on digital marketplaces for sales distribution.

business of fulfillment, although they recognize how critical the step is to delivering the brand experience all the way to the customer's front door.

Consumers want what they want *now*. They expect the buying experience—from manufacturer to delivery—to be both accurate and fast.

To meet consumer demands, many manufacturers have considered the cost/benefit analysis of handling ordering, fulfillment and shipping *in-house*—vs. outsourcing to a fulfillment center that specializes in DTC sales. Given the complexity of selling via multiple digital marketplaces, a growing number of manufacturers are choosing to outsource this critical function.

Getting *inside* the brand: the challenge of fulfillment centers

To consistently meet customer expectations across multiple digital marketplaces, fulfillment centers must first have an intimate understanding of the brands they serve—diving deeply into every detail that forges the connection between brand and customer:

- Selection and availability of product
- Ordering experience
- Shipping/delivery preferences of customers
- Product packaging
- Customer service at every step

Some brands rely primarily or even exclusively on digital marketplaces for sales. For these brands, fulfillment centers must connect directly to their order management systems to obtain sales and fulfillment data.

It's just one more layer of complexity in an already fragmented DTC world—and one that fulfillment centers must handle in stride.

Just as important, fulfillment centers must understand the nuances of each digital marketplace and its customers—and then align that knowledge with each manufacturer's products and sales goals. For example, purchasing consumer electronics online is a far different experience than ordering disposable gloves for industrial use. Yet, a fulfillment center experienced with DTC sales across multiple digital marketplaces must be equipped to handle it all.

Let's take a closer look at the many competencies fulfillment centers must embrace to help brands succeed across multiple digital marketplaces.

Entering the multi-marketplace arena

For manufacturers ready to enter the digital marketplace arena, begin by first understanding which digital marketplaces your customers are visiting (and why). Next, identify what the customers' buying, shipping and delivery expectations are—and how they might vary by marketplace. Then determine to what extent you have the infrastructure, in-house expertise and willingness to manage the ordering, fulfillment and shipping *on your own*.

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For manufacturers that choose to explore *outsourcing* these functions to a fulfillment center, take these three steps:

1. Have an open and frank discussion with each candidate fulfillment center about your customer's brand expectations and the need for them to be met consistently across all digital marketplaces.
2. Ensure your chosen fulfillment center has proven experience in the marketplace(s) you're considering for expansion.
3. Determine whether the fulfillment center has the flexibility, resources and willingness to expand into multiple digital marketplaces *at your pace*.

You'll want a fulfillment center that has a proven track record of operational expertise, can customize procedures based on marketplace mix and is ready to help you lead in a fragmented online world.

"This is the future of direct-to-consumer sales," said Tod Yazdi, principal of TAGG Logistics. "Those who fail to grasp the significance of the trend are destined to fall behind. Rather than see insurmountable challenges, we see boundless opportunities to help brands thrive—regardless of how their customers choose to shop. Wherever that is, we'll be there."

To learn more, please call 866-991-8244 or visit us online and one of our principals will work directly with you. So together, we can deliver ***Your Business Everywhere™***.