

Roadmap to eCommerce Success



eCommerce is big business, and every day more retailers, distributors, and manufacturers are joining the fray, making the competition cut-throat. According to recent studies, worldwide eCommerce sales topped \$3.5 trillion in 2019 alone. In the same year, US eCommerce sales reached \$600 billion.*

Selling online provides you with numerous benefits:

- A 24/7 presence in the global marketplace
- Bring new products to market faster or remove slow-moving items by merely making a few edits to a website
- Tools to take and fulfill orders in the fastest, most economical way possible
- Offer your customers self-service options, like order tracking and order history, that have a minimal cost yet can significantly improve customer satisfaction

- Create and retain customers who prefer an online shopping experience
- Instantly pivot to online sales if you are unable to conduct business at your brick-and-mortar store

Let's face it; you won't survive in today's hyper-competitive marketplace without an online store.

And yet, 74% of small business websites have no eCommerce capabilities and over a third of small businesses don't even have a website!**

Until recently, businesses trying to set up an eCommerce site found it too technical, cost-prohibitive, or both.

The good news is that there are many eCommerce options available today that will fit nearly any business's needs and budget.

* US eCommerce sales grow 14.9% in 2019, <https://www.digitalcommerce360.com/article/us-e-commerce-sales/>, February 19, 2020.

** 2019 Small Business Website Statistics You Need to Know to Stay Ahead of the Digital Curve, <https://topdigital.agency/2019-small-business-website-statistics-you-need-to-know-to-stay-ahead-of-the-digital-curve/>, January 25, 2019.

IN THIS EBOOK

In this eBook, the eCommerce experts at Acumatica help you navigate the most popular options to implement eCommerce and the advantages and disadvantages of each. We'll also discuss why you should consider integrating your eCommerce

platform with your company's back-office business applications (financials, inventory, warehouse management, etc.).

Consider this your roadmap to eCommerce success... regardless of which route you take to get there.




What type of seller are you?

As you begin evaluating the types of eCommerce solutions for your business, you will want to consider some essential elements about the kinds of products you sell, how you sell your products, and the customers who usually buy your products:

- Do you sell many products (SKUs) or only a few?
- Do your products come in one size and color or many?
- How do you handle products with variants (for example, a single t-shirt design that comes in multiple sizes and colors) in your accounting?
- Do you sell primarily to consumers or other businesses?
- What volume of sales (in both number and dollar amount) do you expect per month?
- Do you manage multiple warehouses?
- Do you sell internationally? Will you require currency conversion capabilities or multiple languages on your eCommerce site?
- Do you have any inventory you do not wish to sell online?
- How will you manage the fulfillment of online orders?
- How often do you expect returns?

Knowing the answer to questions like these will help you find the best eCommerce solution that fits your company.



“Being able to access data and have the various departments working together in one system is a real benefit. If the warehouse has low inventory for an item, it is immediately exposed to purchasing to place the order for more. We now have real-time visibility to pertinent data.”

BEN ROTHE, GENERAL MANAGER & CEO, PREMIER 1 SUPPLIES



What features do you need in an eCommerce solution?

All eCommerce solutions are not the same. Businesses that sell primarily to consumers (business-to-consumer, or B2C) have different requirements for their eCommerce sites than companies that sell to other businesses (business-to-business, or B2B). Your choice of eCommerce solution must include the features you need to sell to your primary market.

Examples of features that are important to B2C sellers include:

- Discounts and coupons
- User reviews
- Product photos and descriptions
- Guest purchase options (no requirement to establish an account)
- Sales tax calculations
- Loyalty programs
- Social media engagement

In contrast to consumers, businesses tend to purchase in large quantities on credit and involve more stakeholders in the purchase decision. As a result, B2B eCommerce sites require a different set of features to facilitate selling your products online.

Examples of features that are important to B2B sellers are:

- Customer-specific pricing
- Multiple payment options
- Multiple account addresses
- Invoice history for online and offline orders
- Inventory availability
- Credit terms using a purchase order or line of credit

Make sure the eCommerce solution you choose can support your company's unique requirements and workflows.

B2B BUSINESSES NEED AN ECOMMERCE CHANNEL, TOO

Although selling online has been around for several decades, it has mostly been a B2C game. But that's no longer the case. The convenience of researching and buying products online is now commonplace in the B2B world. People in purchasing and procurement buy items online, too. B2B eCommerce sales are on the rise. A recent study reported B2B

eCommerce sales in the US have already surpassed \$1 trillion*—and that number is only going to grow larger. So, if you are a B2B company that hasn't started selling online, now is the time to take a serious look at eCommerce as one of your channels.

** B2B ecommerce sales surpass \$1 trillion—with more growth to come, digitalcommerce360.com, March 22, 2019.*



Choosing an eCommerce Technology Solution

Products can be sold online through a variety of platforms and marketplaces, and nothing prevents a company from selling its products through a combination of these technologies.

All eCommerce solutions offer the technology to display your products, provide a shopping cart for your customers, and checkout. A shopping cart lets users view and select multiple products, make changes in selection and quantity, and, when ready, complete their item selection and proceed to checkout. The checkout refers to the pages after the shopping cart where the buyer completes the purchase and enters information for their shipping and billing addresses, the shipping options they prefer, and their payment information.

Each of these technology solutions, however, have benefits and drawbacks.

MARKETPLACES

Marketplaces are eCommerce platforms where many sellers display and sell products to buyers through a single website. The company running the marketplace owns the website, and vendors pay a fee to sell their products on it.

Examples include Amazon.com, Walmart.com, Jet.com, eBay.com, and Overstock.com.

Marketplaces make it easy for vendors to get their products online and start selling the same day. Plus, there are already potential buyers coming to the marketplace who are willing to purchase products like yours.

PROS AND CONS OF MARKETPLACES



Merchants listing their products on marketplaces can take advantage of the large number of visitors that come to the site every day. Benefits of marketplaces include:

- Instant exposure to a high volume of traffic
- A quick way to expand a company's online presence
- A path to generate more leads and additional sales
- Minimal setup required by the seller, the marketplace can handle virtually everything, from credit card acceptance to warehousing to order fulfillment



Some potential pitfalls of marketplaces include:

- Marketplace fees will cut into profit margins
- Merchants have limited control in terms of branding and what items they can sell
- Marketplaces operate with their best interests in mind, not necessarily the seller
- Profits can be delayed from weeks to months
- Your competitors might appear alongside your product listing
- Marketplaces often give preferential treatment to larger sellers



THE PROS AND CONS OF SELLING ON AMAZON OR OTHER MARKETPLACES

Amazon stands out as the leading marketplace, handling roughly 50% of web-based sales.*

Selling on Amazon requires the seller to create an account with Amazon Seller Central. After establishing the account, sellers have two options:

- **Fulfillment by Amazon** – Sellers ship their inventory to Amazon and let Amazon fulfill purchases for them as orders come in.
- **Fulfillment by Merchant** – Sellers receive orders from Amazon and ship the products themselves from their inventory.

Amazon provides tools that help Amazon sellers move their products up in search results pages and develop branded stores to increase sales and capture new buyers.

While Amazon and other marketplaces charge fees for selling your products, the benefits can outweigh

the costs. In exchange for the fees they charge, for example, Amazon handles product listings, advertising, promotion, warehousing, packaging, shipping (including replacements, reimbursements, and returns), barcoding, reporting, and even sales tax remittance.

Considering their reach, customer base, and logistics abilities, marketplaces should be seriously considered as one option for your eCommerce solution. However, be aware that the fees you pay to any marketplace (fees which can vary based on several factors and can be substantial) will cut into your margin, so do your homework before making your decision.

**Amazon's share of the US e-commerce market is now 49%, or 5% of all retail spend, [techcrunch.com](https://www.techcrunch.com/2018/07/13/amazon-share-of-us-e-commerce-market/), July 13, 2018.*

ECOMMERCE PLATFORMS

eCommerce platforms offer many advantages over marketplaces. Platforms offer sellers a commerce-enabled website that the sellers manage themselves. Having control over your eCommerce site makes it much easier to establish your brand identity and monitor website activity than is possible through a marketplace. A website lets merchants build a relationship with their customers and engage with them regularly through automated marketing tools, emails, newsletters, informational blogs, and more.

However, the seller must assume more responsibilities to manage the site. Plus, sellers must make potential clients aware of the site's presence, which can be a considerable marketing expense.

There are many eCommerce platforms on the market today. They come in a variety of types, and each type has its benefits and downsides.

eCommerce platforms generally fall into two categories:



1. Self-Managed and Open Source Platforms



2. Hosted eCommerce Platforms (Software-as-a-Service, or SaaS)

“We looked around for quite a while for what we wanted—an ERP that could integrate with a POS and our website...The leadership team of any small or medium business considering an ERP system is doing themselves a great disservice if Acumatica isn't on their list to investigate.”

BRAM KLEPPNER, CEO, DANFORTH PEWTER



Self-managed and open source eCommerce platforms

Open Source means you have complete access to the source code, giving you the ability to modify or customize the software to meet your unique workflows.

Self-managed sites require that you install, configure, and manage the site yourself or hire someone with the technical expertise to do it for you.

Examples of open-source and self-managed eCommerce platforms are Magento, OroCommerce, and PrestaShop.



Hosted eCommerce platforms

Hosted platforms use a Software-as-a-Service (SaaS) business model. These systems are available for monthly subscriptions, and they are hosted and managed by the software provider on your behalf. These platforms are truly turnkey: You simply sign up, are given access to your site by the hosting service, and then you can begin adding your product listings and building your website.

Most hosted eCommerce options are intuitive enough that anyone can build an eCommerce shop without prior development or coding experience.

Examples of popular hosted platforms are BigCommerce, Shopify, and 3dCart.

PROS AND CONS OF ECOMMERCE PLATFORMS



Using a dedicated eCommerce platform offers several advantages over marketplaces, including:

- Control over your branded URL and user experience
- Ownership of your site data
- More in-depth user behavior analytics on your site
- Ability to extend your brand. In addition to selling products, you can offer educational resources, videos, and engaging features like message boards



There are also some downsides to self-managing your eCommerce site:

- It can take significant effort to build and maintain your eCommerce website
- It takes marketing dollars to create awareness and drive potential clients to the site
- Complex site interactions require technical resources to provide back-end coding

OTHER CONSIDERATIONS

Other considerations for your eCommerce solution, both marketplaces and platforms, include:

- **Search engine optimization (SEO)** – Make sure the eCommerce solution(s) you choose will help you get your company and products noticed by search engines, as well as the capability to move up in the search engine results page (SERP) rankings
- **Monthly fee** – Know the monthly charge for using the eCommerce service
- **Transaction fees** – Find out if there are fees per transaction and whether these fees increase as transaction volume increases (either by dollar amount or the number of transactions)
- **Storage fees and limitations** – Understand the costs of having your inventory and fulfillment handled by a third party, along with any additional fees, restrictions, and requirements imposed
- **Credit card acceptance** – Understand your responsibilities to provide a secure interface for credit card acceptance and PCI (Payment Card Industry) compliance
- **Load times** – Be sure your product pages load in a reasonable amount of time; long delays can frustrate customers and cost you potential sales
- **Responsive themes** – Learn if the solution has pre-made themes that will display appropriately on any size screen (tablet, phone, laptop, etc.), even when rotated
- **Abandoned cart saver** – Find out if the solution offers a service that captures a user's shopping cart information if the buyer abandons the sale before entering payment and shipping information
- **Faceted search** – Determine if the solution offers “faceted search”: the ability to filter product listings by applying various filters, such as size, price, color, manufacturer, etc.
- **Quality of support** – Read reviews and check references to establish the available support for the solution you are considering
- **Ease of use** – Discover whether the solution is easy to use and if there are training tutorials available



“We do all our order management, order fulfillment, and all of our accounting in Acumatica. The only thing that Acumatica is not the primary application for is our eCommerce Shopping Cart, but we have a tight integration between our shopping cart and Acumatica.”

THOMAS FINNEY, DIRECTOR OF IT, SHOEBACCA



Integrating eCommerce with your back-office processes

Most midmarket businesses require (or are already using) an enterprise resource planning (ERP) system to manage their company's financials, inventory, warehouse management, order fulfillment, business insights, reporting, and more. Your ERP is the critical link between your operations and your eCommerce store.

This integration of systems means your customers see accurate product pricing and availability, and your back-office processes are updated whenever a customer places an order. The many benefits to integrating your eCommerce website with your ERP include:

- Product and pricing information updates made in the ERP are populated automatically in the eCommerce store
- Orders received via eCommerce are automatically reflected in your financials, resulting in less manual entry, higher productivity, and reduced errors
- Seamless handling of refunds and returns
- Customers can see item availability in real time, eliminating the risk of frustrating them or sending them to a competitor
- Self-service capabilities empower customers to manage invoices, view past orders, and track shipments, taking the burden off your staff and giving customers more control and visibility
- Real-time reporting in the ERP lets you track your business performance, including sales, inventory, returns, profitability, and more
- Business intelligence tools help you make more informed decisions about your business, such as spotting trends and identifying inefficiencies

However, to make this work, your ERP must be able to integrate with your web store—and not all ERPs can do this effectively. Most eCommerce sites, whether platforms or marketplaces, offer an application programming interface (API) that lets your ERP system communicate bi-directionally with your eCommerce website. Unfortunately, many older ERP solutions lack the adaptability to work with these APIs or use modern web technologies to integrate with your eCommerce solution.

“Almost every other ERP software vendor charges monthly per user, which inevitably has executives trying to limit how many people really need simultaneous access. Acumatica’s novel way of charging based on transactions is well-suited for future growth.”

ERIC MIZRAHI, DIRECTOR OF OPERATIONS & IT, GLOBAL BEAUTY CARE



Let Acumatica help you get started!

If you are a growing company ready to have a powerful ERP system integrated with your eCommerce storefront, we can help.

The Acumatica Commerce Edition is an ERP that comes eCommerce-ready out of the box. A modern, flexible, configurable ERP solution, our Commerce Edition provides seamless integration with best-of-breed eCommerce platforms and marketplaces, including BigCommerce, Magento, and Shopify.

This critical integration allows information to flow in real time between Acumatica ERP and your eCommerce storefront. Your customers will have access to real-time pricing and product availability, place orders, view order status, manage accounts, display discounts, and more. Additionally, Acumatica ERP connects your eCommerce channel with your back office—from financials to order fulfillment—for seamless operations.

Acumatica Commerce Edition also offers native support for customer-specific pricing, products with variants, multiple warehouses, discounts and promotions, shipment tracking, advanced payment methods, online and offline invoice history, faceted search capabilities, pick-pack-and-ship capabilities, and more.

Acumatica provides an omnichannel solution that grows with you and offers the flexibility to run your business your way, streamlining and automating every aspect of your business.

Our goal was to make the most sophisticated, cost-effective commerce-enabled ERP in the mid-market—and we think you'll agree that we have done just that.

Integrate your eCommerce web store with Acumatica for a flexible, limitless, unified commerce solution that lets you create unique customer experiences and keep customers for life. Our implementation partners can help you optimize Acumatica for your business. [Contact Acumatica](#) for more information on how Acumatica can help your wholesale or retail business get on the road to eCommerce.

Hear from [Acumatica customers about how they are using Acumatica's Commerce Edition](#).

ABOUT ACUMATICA

Acumatica Cloud ERP provides the best business management solution for digitally resilient companies. Built for mobile and telework scenarios and easily integrated with the collaboration tools of your choice, Acumatica delivers flexibility, efficiency, and continuity of operations to growing small and midmarket organizations.

Business Resilience. Delivered.

