The 3 Biggest Pain Points for Brands Selling on Multiple Online Channels
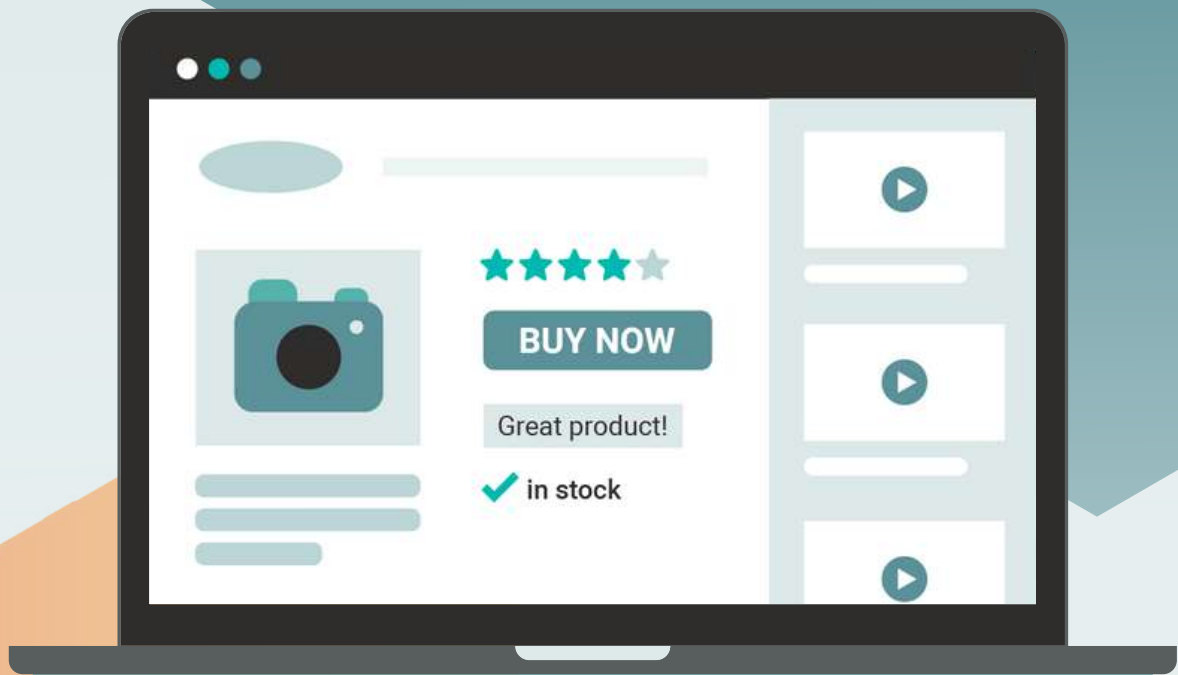
And how to cope with them.

Contents

Introduction

When selling on multiple online channels and/or countries, you have to deal with changing environments every day!

How to protect your brand on the digital shelf?
Each day, on every sales channel.
How do you keep an overview?

Every detail counts. A sudden price drop, out of stock, or bad review.

"Are my products listed online at all? and by whom?"

A hell of a job!

THE DIGITAL SHELF

The digital shelf is the place where a product is presented online.

Multiply the number of products in your brands' online portfolio, with the number of eCommerce channels you are selling on, and you will have the number of touchpoints where shoppers:

Discover your brand

Research your brand

Engage with your brand

And (hopefully) **Purchase** your products.

THE BIG PAIN POINTS

Multi-Channel
Conflicts

Lost Brand
Control

**ON THE
DIGITAL SHELF**

Invisible &
Unfindable

Multi-Channel Conflicts

Leveraging multiple channels to spread your brand increases the likelihood of channel conflicts.

Multi-channel conflicts occur when a manufacturer has at least two channels competing for sales of the same brands/products.

Multiple Distribution channels

For manufacturers, selling D2C has become easier than ever before due to the explosive growth of eCommerce sales, online channels, and capabilities such as easy-to-use and affordable SaaS eCommerce tools and platforms.

Direct... ...to Consumer

You may be selling products direct-to-consumer (D2C), while also selling to a wholesaler/retailer. This creates conflict because you and the retailer may be selling the products to the same markets, but at different prices.

If you are implementing D2C into your selling strategy, it's important to find a balance between selling through your eCommerce store(s) and other online participants in the distribution channel.

Manufacturer / Brand

**Distributors
Wholesales
(e)Retailers
Marketplace Sellers**

End Consumer

D2C
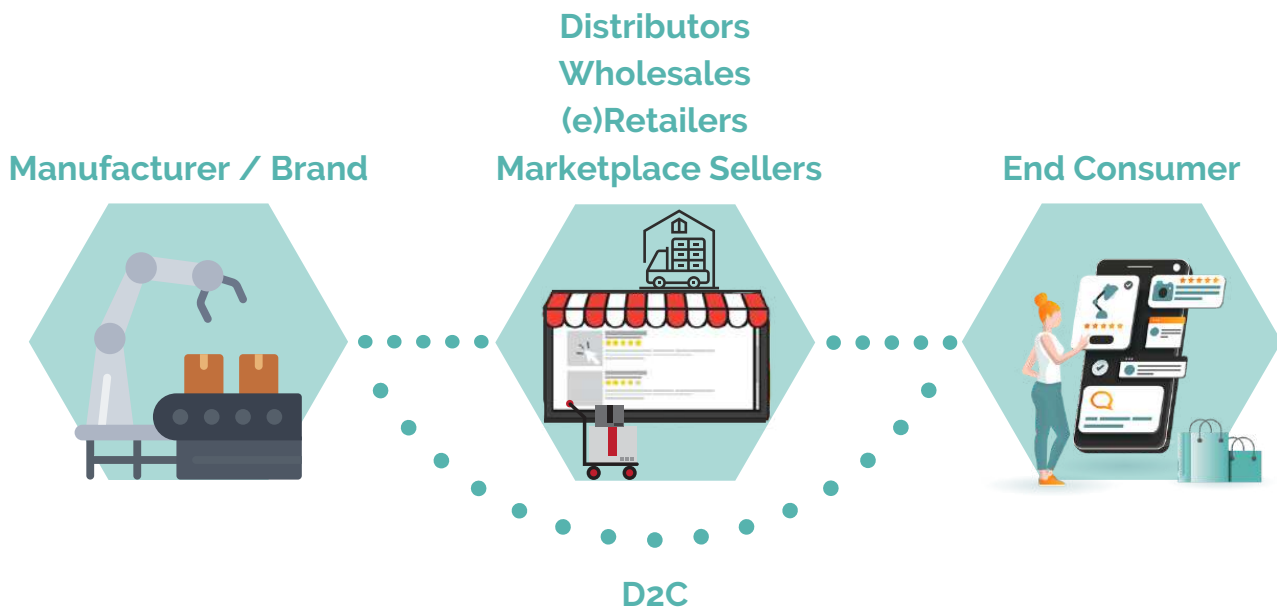
Benefits of selling D2C

- Shoppers know they are buying the real thing and no scam.
- You can offer exclusive products, that no other channel has.
- Offer top-notch return and service policies.
- Have direct access to the customer and 'mailing list goldmine'.
- Make your own sales, don't rely on others anymore.

Competition between manufacturer and retailer

When you allow too many retailers in a given territory to sell your brands' products, a price war between retailers can be created. When in a price battle, one retailer pushes a price lower, others follow or go even lower. Profit margins and your relationship with your partners get into danger, and your brand and products can lose value in the eyes of the customer.
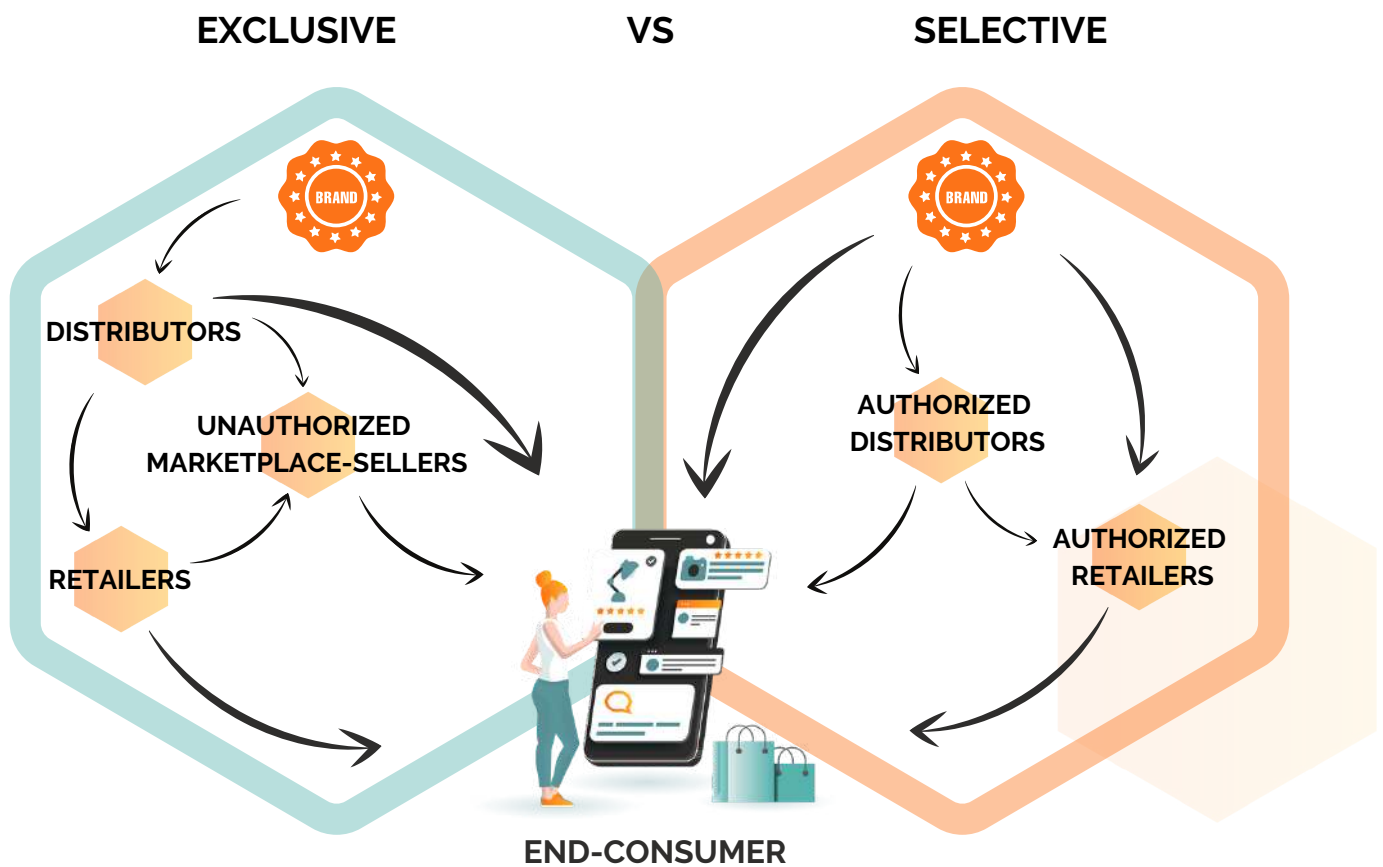
The traditional model

Before the explosive growth of eCommerce channels, most manufacturers applied an exclusive distribution model – a type of distribution where the manufacturer ties up exclusively with a distributor. As a result of the ability to shop on worldwide eCommerce channels, European brands nowadays have almost **no control** over how products are sold by their **distributors and (unauthorized) sellers** downstream end-users. Once the authorized distributor sells to a retailer, that retailer will be free to sell to any customers in Europe, including on online marketplaces. This way, resellers can free-ride on the efforts of your brand's authorized sellers, eventually discouraging those authorized sellers from supporting your brand, and damaging your brand's reputation.

Selective distribution

Selective distribution is considered the best strategy if you are looking to take maximum control over how and by whom your products are sold, thereby protecting your brand value and maximizing profits. Selective distribution is when you appoint a selection of authorized distributors/retailers that meet certain criteria to sell your products. Sales outside of the network are prohibited unless they are to end customers.

Enforcing selective distribution is facilitated when working with skilled legal counsel with significant knowledge of the realities of eCommerce and the ability to leverage **highly efficient software in the monitoring and enforcement** of selective distribution systems in today's market.

EXCLUSIVE   **VS**   **SELECTIVE**

DISTRIBUTORS

UNAUTHORIZED MARKETPLACE-SELLERS

RETAILERS

AUTHORIZED DISTRIBUTORS

AUTHORIZED RETAILERS

END-CONSUMER

Monitoring listings & prices online

Keeping prices stable and avoiding price wars is an overall indicator of success on 'the digital shelf'. SiteLucent software continuously crawls eCommerce shop and marketplace shelves, looking for your brands' product listings/placements and prices. Set up alerts to get notified when someone is undercutting recommended sales prices.

Continuously monitoring prices of 3P sellers, retailers, and competitors, on all eCommerce channels, can help you protect your profit margins and those of your resellers, and your brands' image.

Be partners, not competitors

Brands, wholesalers, and retailers should be partners, not competitors. When they work together, you can:

- Create happy and pleased customers

- Have a good relationship with resellers

- Protect your brand images and value

- Make (enough) money

Start by outlining the rights and responsibilities of every member of the sales channel, including yourself. Rights and responsibilities on

territories, market shares, prices, and distribution. To enforce, you continuously monitor **who** is selling your products, **where**, and for what **price**.

- Do not allow too many resellers in a distributed area - Set proper territories.

- Switch to a selective distribution model (for at least some products) to cut off supply to unauthorized sellers, that are not within your brands' selection of distributors and resellers.

- Enforce a Minimum Advertising Policy (MAP) in the countries where they can be used, to prevent other sellers from undercutting recommended sales prices.

- Monitor who is selling your products, where, and for what price.

- Warn sellers who are violating your distribution and/or pricing policy. If the situation persists, take necessary actions.

Lost Brand Control

When you come to the point that products are published on reseller sites, you should never believe the job is done. According to Chain Store Age, 65% of returns are due to retailer error and 22% to the product being different in appearance than was advertised online. Poor product pages result in dissatisfied shoppers who don't buy your product or buy the wrong product based on inaccurate assumptions. So how do you keep control? Checking the quality of product pages one by one would be an awful lot on your plate!

Take (back) control of your brand online

Take control of your brand online and optimize the buying experience on all online channels:

- Continuously monitor product content, including reviews, to ensure that the message doesn't negate or stray from your brands' core standards, values, and visual identity.
- Monitor out-of-stocks to avoid reduced customer satisfaction and lower brand loyalty levels.
- Track selling prices to keep prices stable and competitive, so customers don't get confused and your products lose value.

Monitor product content on 100+ channels

Due to the pandemic, accelerated improvement of your visual content and the processes to achieve this is of vital importance. The easiest way to provide an online customer experience that equates to physical shopping is to provide detailed photos and videos of your product. Missing or inaccurate images create a mismatch between customer expectations and experiences.

SiteLucent content monitoring software quickly identifies gaps, inconsistencies, and areas for improvement on product pages daily. For instance, check if resellers are presenting your new packaging.
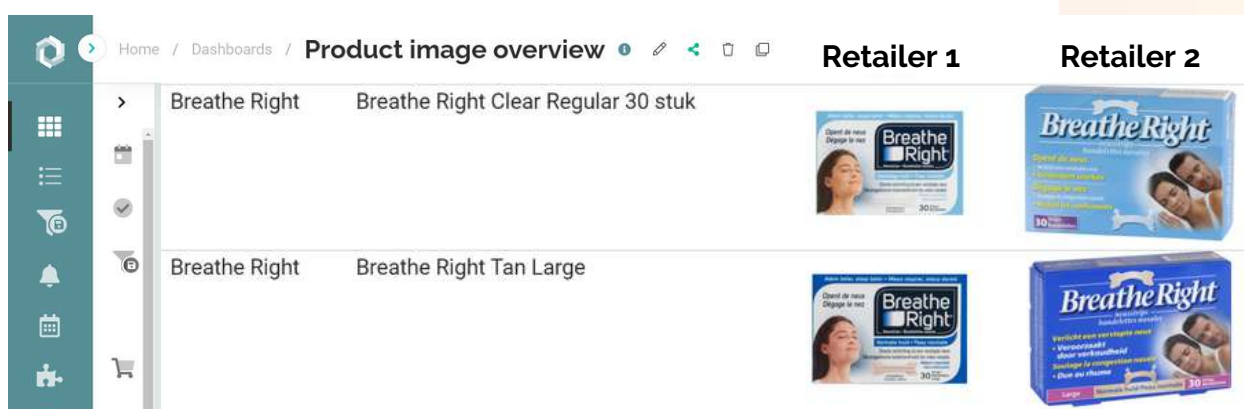
Measure any textual content attribute such as the length of copy, presence of main search keywords, product category, model names, colors, and dimensions, so you can protect your brand identity and image.

Most retailers have their own content requirements. SiteLucent lets you set retailer-specific content criteria once, and the rest will go automatically. Retailers in their turn benefit from content improvements and brand-retailer relationships will grow. A win-win!
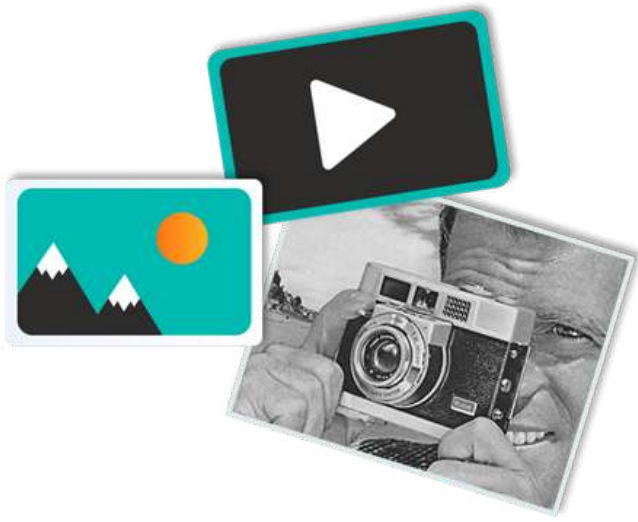
27%

Of products show less than 3 images. 23% shows only 1 image. 1% shows 0 images*

80%

Of product pages had no video present.*

*For this report, SiteLucent analyzed 11.354 product pages, just before Black Friday 2020, on Amazon NL, bol.com, Coolblue, and 5 other leading online retail sites in the Netherlands across the popular Home Goods and Kitchen Electronics categories

★★★★★

Utilize Valuable Customer Reviews

According to PowerReviews, 86% of all customers consider reviews as an essential resource when making (the right) purchase decisions. Shoppers trust recommendations from other consumers above anything else!

Using Review monitoring software gives brands and retailers solutions to constantly track what customers are saying about your products online.

- A minimum of 10 reviews per product can help consumers make better purchase decisions.
- Zoom in on categories for which reviews are extra important, such as NPIs, Health-related products, expensive products, technically complicated products.
- Save time each week reading, sharing, and responding to customer reviews.
- Improve or remove products and pages with negative reviews, to avoid a mismatch between expectation and reality, and therewith protect your brand reputation online.

Monitor and learn from reviews as input for product development and **align product and marketing content with the language used by consumers.** This will reduce the chance of products being returned.

eCommerce Product Returns

The management of eCommerce returns is a challenge brands and retailers can no longer afford to ignore in 2021. It's one of the biggest drawbacks of eCommerce while online orders are at an all-time high! To leverage the rapid online growth, it is important to have your returns under control.

There could be a variety of reasons to return a product, like a mismatch between expectations and reality, late delivery, damaged product, or because the customer found a cheaper alternative elsewhere.

Online shopping is not possible without returns, but reducing your unnecessary returns has an immediate result on your profitability. Touchpoints on product detail pages that are needed to monitor in order to significantly reduce your product returns are: product content, reviews, stock availability, and prices.

Return Policy & Customer Experience

While brands may view returns as an aftermath of a transaction, the 'return touchpoint' is central today to the purchasing decision. Enhance the overall customer experience through the process by clearly communicating to shoppers what's the return window and if they need to pay for return shipping costs. The more information you provide, the more chance you have of a follow-up purchase

Invisible & Unfindable

A product that can't be found online will not sell

In eCommerce, products go missing all the time. More than 30% of products disappear or never show up on the digital shelves because they:

- Are not listed
- Run out of stock
- Rank low in search results
- Lose the buy button

Not every retailer carries the same product range

In most cases, not all resellers carry the same product range. This complicates the necessary yet time-consuming job of checking daily if products are listed there where they should be on each channel.

> " Thanks to SiteLucent, we discovered resellers with only 30% of the agreed-upon portfolio listed. "
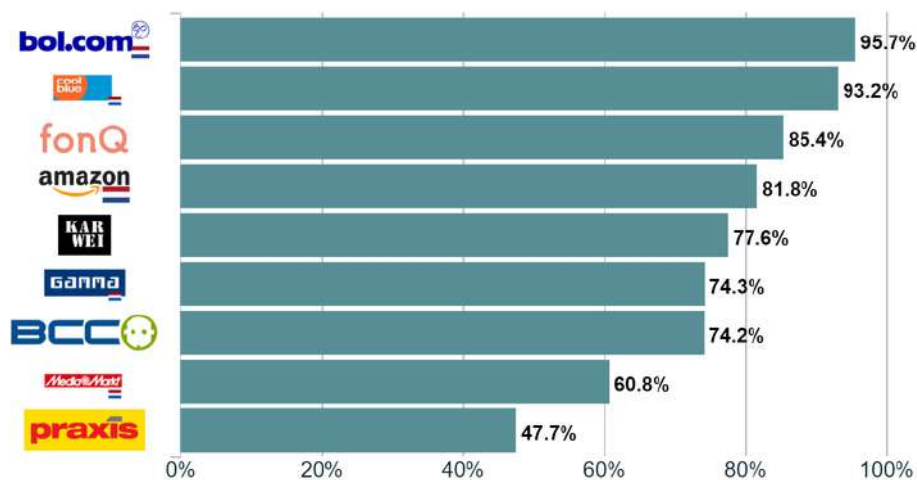
Stephanie Meijer - Digital Content & Campaign Manager at Coram

Digital Shelf Monitoring Software like SiteLucent can help you save time by specifying which of your products do or do not belong to a retailers' range. Daily-updates views show you which products are missing on each channel.

AVERAGE LISTING COMPLETENESS

73,3%

LISTING COMPLETENESS PER CHANNEL

Channel	Completeness
bol.com	95.7%
cool blue	93.2%
fonQ	85.4%
amazon	81.8%
KAR WEI	77.6%
Gamma	74.3%
BCC	74.2%
Media Markt	60.8%
praxis	47.7%

Every day a product is Out-Of-Stock is one too many

Because shoppers cannot buy your products if they are out of stock, stock-outs lead to lost sales but also result in reduced customer satisfaction and lower loyalty levels. The more days a product is sold out, the more buyers will be disappointed and the more sales you will lose. If your products frequently sell out, they might drop down top search positions on a reseller site or lose the buy box on marketplaces, which makes them unfindable in the long run.

The buy box on marketplaces

If products are presented as out-of-stock, a marketplace allows other retailers, sellers, and 3P sellers to take over the buy box quickly. The more frequently your products run out of stock, the fewer chances you have of winning the buy box since marketplaces algorithms commonly prefer sellers that have full inventory most of the time.

Sellers who offer the lowest pricing options on a marketplace can take over the Buy Box from you as a brand owner/vendor. On the other hand, if your products have (near)perfect performance metrics, you may be able to price higher than other sellers and still win/keep the Buy Box. Make sure the landing prices (total price with shipping included) of your products are competitive and avoid price wars.

Anticipate availability and price issues on all channels constantly to get a top position in search results and to win that coveted buy button!

Search optimization on resellers' sites and marketplaces

Today's shoppers are increasingly taking reseller sites as a starting point for their product search. To be found, it is, therefore, important to ensure that your products also end up organically high in the ranking on a retailers' site or marketplace.

The top positions on a Search Engine Result Page are the most visible. These top products typically get the vast majority of the clicks and thus conversions. To improve the ranking position of your products you:

- List products in the appropriate categories
- Incorporate frequently used keywords into your product titles and descriptions
- Put the most important info & keywords at the beginning of your product titles and descriptions
- Continuously monitor category and keyword ranking positions, and search behavior. eCommerce monitoring software can help you discover which product pages you can optimize for search engines and how.
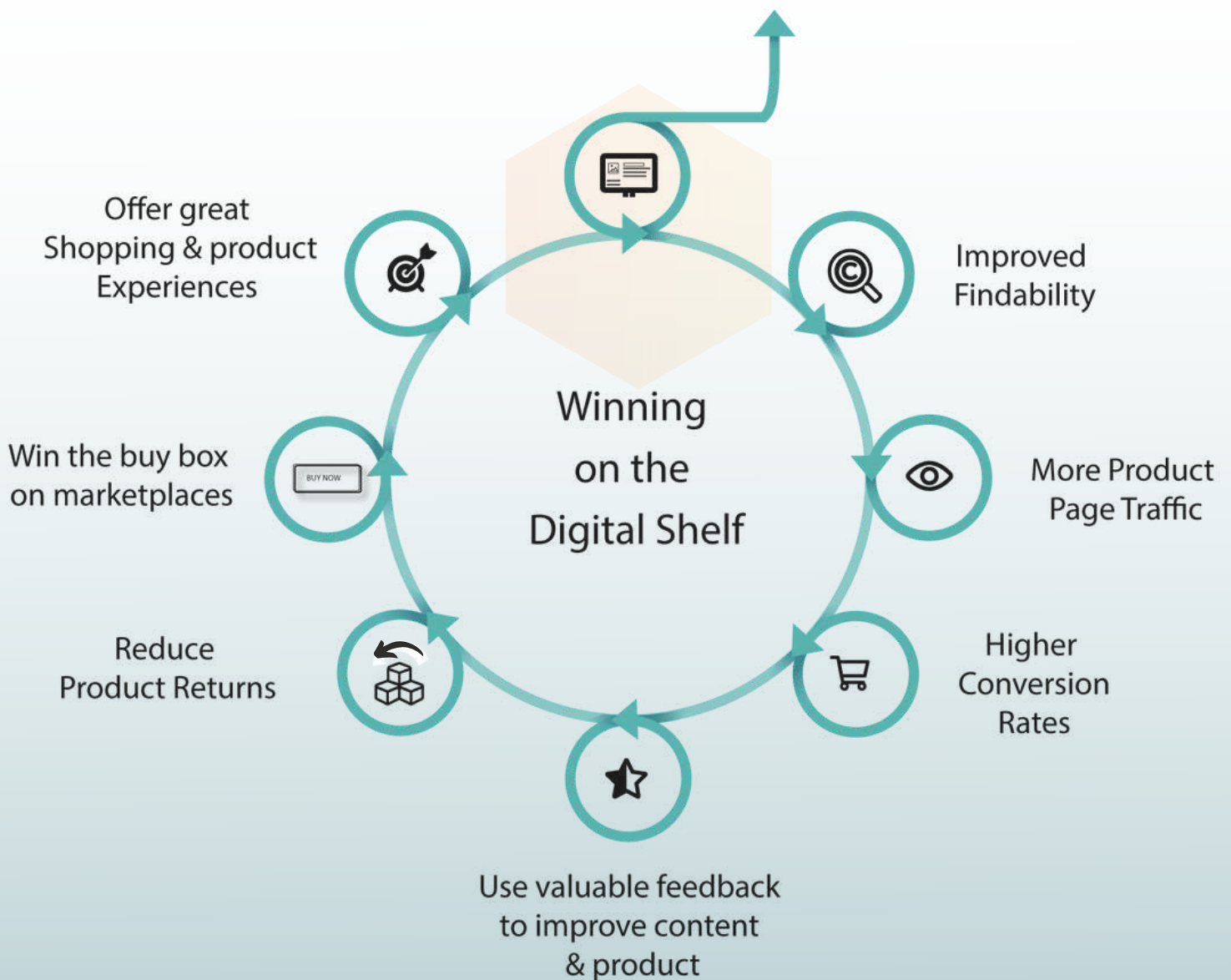
The language used by customers

Reviews provide fresh and unique content to your product pages, in the language used by customers, which has a positive effect on your products' search rankings.

Winning on the Digital Shelf

Complete and Correct Content - Get the basics right!

Offer great Shopping & product Experiences

Win the buy box on marketplaces

Reduce Product Returns

Use valuable feedback to improve content & product

Higher Conversion Rates

More Product Page Traffic

Improved Findability

Winning on the Digital Shelf

The extent to which you can cope with the challenges we discussed, is an indicator of your brands' conformity and thus your success on 'the digital shelf'.

SiteLucent continuously crawls eCommerce shop shelves, looking through the customer lens to capture anything a shopper can potentially see. Product detail pages are full of touchpoints that are helpful to monitor for you as Brand-owner or eCommerce professional.

See in action how SiteLucent can help you:

- Avoid (multi-)Channel Conflicts
- Lower Return Rates
- Be Visible & Findable Online
- Be Brand Compliant on all eCommerce Channels
- And ultimately increase eCommerce sales on all channels!

Book a demo

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