The Top 5 Ways to Conquer the Challenges That Come with Being Multi-Channel

How to run your business on your own terms by choosing a solution that unifies your business data rather than forcing you to switch platforms

a White Paper by

webgility

In e-commerce, multi-channel is the new normal. Your customers are browsing and shopping everywhere, so you have to give them the opportunity to buy from you via multiple channels, too. But a recent survey of 2,000 digital marketers and e-commerce pros found that many still struggle to fully understand what motivates their customers to buy—and which channels hold the most appeal. In the survey, only 17 percent of respondents said they are fully capable of analyzing their customers' journeys. It's a problem all multi-channel e-commerce enterprises grapple with.

To make the smartest decisions about expansion, marketing, and—when necessary—cost cutting, you need to know:

- Who are your best customers and what channels do they favor?
- What is the true cost of getting each of your products to any given customer?
- How effective are your marketing campaigns by channel?
- Are you keeping shipping and inventory costs in check?
- What can you do to increase profit margins?
- Which sales channels are working and how are they performing?

Having immediate access to this information can help you more successfully conceive and execute on your business strategy. There are a handful of key areas from which you want to be able to pull and synchronize scattered business data so you can make better decisions based on hard numbers, not gut feeling. The areas to focus on also happen to pose the top five challenges for any multi-channel e-commerce company:

1. Multi-channel management
2. Inventory management
3. Order management
4. Shipping and fulfillment
5. Data analysis to inform scaling and marketing strategies

A solution that makes it easy to connect sales and other business data from all sources of revenue and expenses can help you address these pain points with ease—and allow you focus on improving and growing your business.

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[1]Econsultancy Quarterly Digital Intelligence Briefing: The Multi-channel Reality, September 2015.

Let's take a look at the five areas in turn and examine how you can better gain insights from them in your own company.

1. Multi-channel management: The holy grail for e-commerce businesses

Running a multi-channel e-commerce business means you use a mix of e-commerce stores (from marketplaces like Amazon, eBay, and Etsy, to shopping cart platforms like Bigcommerce, Shopify, and Magento), point-of-sale (online and brick-and-mortar), inventory and order management systems, shipping services, accounting software, and others.
If the data in the e-commerce systems and complementary best-in-class apps and services you use isn't linked—or if you don't have access to a solution that can make these connections for you—it's impossible to quickly gain insight from them all without spending countless hours manually connecting the dots between data residing in different systems.

You need a solution that can bring all of your business data together. It should neither force you to learn a new system "language" nor change how you run your business. Instead, by connecting your existing systems, the ideal solution lets you manage your business from one place so you can focus on increasing productivity and profits.

As any multi-channel business grows, inevitably so does its use of different platforms and tools. It can be a major headache to pull data from those systems in a timely way. Instead, you need a single dashboard that lets you quickly and easily view all different areas of your business. These include multi-channel selling, inventory and order management, transaction, payment, and shipping fees, reporting on financials, customers, inventory, and taxes, shipping, and workflow automation. When these areas are operating with a single data set, business-wide efficiency and accuracy increases exponentially.

2. Inventory management: Anticipating demand

If you sell physical products, you live and die by inventory—hold too much and you risk products becoming obsolete without selling or taking up space in your warehouse, which costs you, too. Inadequate inventory management also puts you at risk of not balancing cash flows. You need to be able to maintain accurate inventory information at all times, including the ability to sync products from store to accounting and vice versa, sync sales prices (and inventory costs) in store to accounting, transfer product from store to accounting and vice versa, map online product to accounting, transfer product images from accounting to store, transfer variant products, and manage multiple inventory locations.

"You must be able to access certain business data at any moment to drive successful growth."

When you're selling on multiple channels, it can be difficult to sync inventory data because some providers, like Amazon, require that you keep inventory in their warehouse so it's on hand for fulfillment purposes. Things can get dicey when you need to know exactly how many of an item you have in stock across your various channels, especially because some inventory may only be available for a specific channel.

Strategically managing growth
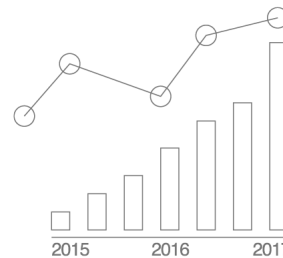
A challenge many multi-channel businesses wrestle with is adding channels and scaling to match sales growth when multiple channels take off.

Based in Gainesville, Florida, family-owned boutique collegiate clothing company Pennington & Bailes has a brand reputation to protect. Founder Tygh Bailes has to think carefully about expanding channels to avoid harming his brand's reputation—and that of his retail partners and licensors. Bailes must also be completely certain his employees can keep up with demand and fulfill his customer service and quality promises.

"We're selling into the same stores and the same markets as a lot of designer brands," says Bailes. "We have to be really careful about how we protect our brand and also, protecting their stores and their individual brands."

Automating the expansion to new channels has given company managers the time and data they need to analyze the expansions and fully understand the costs and benefits of each. They are also better able to focus on customer satisfaction, because all the data is in sync.

If your business is impacted by seasonality—robust holiday sales, for example—managing inventory intelligently becomes even more crucial. Keeping data from your inventory systems synced with data from order management and fulfillment systems is key.

Look for a solution that takes care of all of your multi-channel inventory needs—from helping you If you have a solution that puts current and past inventory and sales data at your fingertips, you can easily use previous year's data to help you plan for what's to come.

3. Order management: The devil's in (syncing) the details
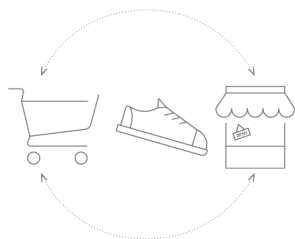
Depending on what e-commerce platform(s) you use, you will need a way to update and export/import orders placed online and from other channels. Being able to see all pertinent details for any given order on any given channel—along with post-order transactions like returns and exchanges—gives you a critical view of your sales funnel and customer journey. It's important to be able to organize and track orders by their payment and fulfillment status so you can keep pace with customer expectations.

Carla Sancho—whose 30-year old family business, WeddingCollectibles .com has run as a multi-channel e-commerce company for a little more than five years—relies on Webgility's Unify to ensure that orders that come in from all of the channels they operate on—Amazon, eBay, Etsy, X-Cart—and stay in sync. "I can expand on all these other platforms and not worry about the fulfillment, because I know it's going to connect," Sancho says. "We hit a button and it imports all our orders from all our platforms. Then we print our orders and hand them to our shipping department, who picks and packs everything."

Sancho and her team manage order statuses across all sales channels from a single inbox—filter, search, import, export, schedule automatic posting, create phone orders, and even add notes. It's easy to view order details and edit as needed: Customer information, items, shipping charges, tax, discounts, and much more.

"I can expand on all these other platforms and not worry about the fulfillment."

—WeddingCollectibles.com
Chief Marketing Officer
Carla Sancho

4. Reducing costs—and headaches—of shipping and fulfillment

Easing the fulfillment process can be a huge boon—just as paying too much can cost you more than you realize, in revenue and customer satisfaction. You need to be able to painlessly process shipments with different providers, compare rates, get tracking details and shipping rules, insure shipments appropriately, import the details of shipments, record shipping costs to accounting, and update order statuses.
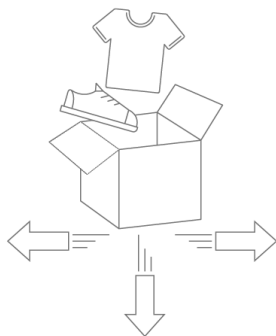
It can be surprisingly difficult to connect a particular sale of a particular item on a given channel with its direct shipping cost—not in aggregate, but what it costs to ship that box to that one customer at that time. If you can break it down and look at individual items, you can reveal really surprising things—such as, for example, you might be selling 10 items but only seven of them turn a profit after shipping is factored in.

Why do reconciliation and reporting matter?

A single online sales order can amass as many as 15 different touch points. So how do you ensure the transfer of all of that information is accurate and timely? Add in local and state tax rules and you're looking at an ever-growing snarl of complexity that accompanies keeping your books in tip-top shape. With Unify, you can automatically post all of your sales information, fees, and expenses directly into your accounting system knowing it is up-to-date, accurate, and tax compliant.

As WeddingCollectibles.com co-owner Carla Sancho notes, the synchronization between accounting and order management is critical to allowing her to focus on keeping the business healthy.

Multi-channel specialty retailer Bases Loaded, which sells baseball and softball gear from its custom website, a brick-and-mortar store in Northern California, and Amazon, found itself in the same boat. "We went from manually posting orders every day when we first started. Then we installed Webgility's Unify and the software did all the work," says Bases Loaded (eBasesLoaded.com) owner Dan Wells.

"It was a good thing, because we went from a few orders at first and it grew exponentially from there. On our busiest days, now we process and ship over a thousand orders. We could never process those manually."

5. Useful analysis starts with access to your critical data

Are you able to integrate point-of-sale data with e-commerce sales and other data, use customer data to inform loyalty programs, ad sales, email marketing efforts, and so on?

You need a solution that can give you access to all of this data and seamlessly integrate with the systems you are already using for sales, marketing, and finance.
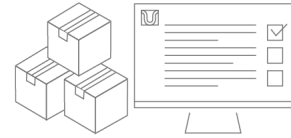
While it is generally much easier said than done, you need to be able to:

- Track your revenues and expenses across sales channels
- View tax and shipping charges collected
- Identify high-value customers, most profitable items, and average order values
- Monitor marketplace expenses, revenue, and order trends to see your business from a holistic perspective
- Make better financial decisions about where you sell, what you sell, what vendors and shippers to use, and how to better serve your customers
- Increase business-wide efficiency

"If you can't scale your business to meet seasonal demands, things can go sideways fast."

All of these make up a smart and strategic approach to business data analytics. But, of course, you need easy access to the data before you can analyze it and use it to inform your decisions. In a best-case scenario, you need a solution that distills down the data into relevant and actionable key performance indicators (KPIs).

Manage and scale your business on your own terms
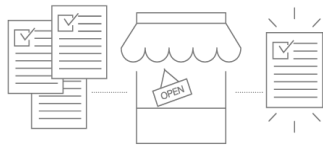
Going forward you have a few options. You could leave the sales data of your e-commerce company in the hands of your individual sales channels, which requires endless hours of data entry, fruitless investigation, and blind guesswork. You could also spend many hundreds of thousands of dollars on an enterprise resource planning (ERP) system that claims to do virtually everything, but it won't be tailored to your company's size, industry, and specific business processes. Of course, the smartest and most sustainable option is to arm yourself with a solution that actually unifies your existing best-of-breed systems, pulling in relevant data as needed and giving you a holistic view of where you stand from any number of perspectives.

We've explored the five primary pain points all multi-channel businesses experience, and provided guidance on what to look for in a solution to help address each. **Webgility's Unify provides this very solution,** allowing for a more strategic understanding of all your revenue streams and expenses, bringing context and insight into your margins, identifying KPIs, and providing a return on investment in a number of areas. So instead of spending time tinkering with your business systems, you can work on strengthening and growing the business itself and get busy doing what actually inspires you.

[Learn more about Unify and try it for free.](#)

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