

OPEN FOR BUSINESS:

BEST PRACTICES IN WEBSITE eCOMMERCE



Did You Know?

- According to a recent NAED Technology Benchmarking Survey (www.naed.org/strategictechnology), two-thirds of respondents identified website creation and enhancements and eCommerce deployment or improvements as high priorities. Of the 54 percent who said they already have an order placement capability on their website, nearly three-quarters said that as much as five percent of their total sales are currently being entered online.
- *Modern Distribution Management* (MDM), a business intelligence publication serving the wholesale distribution industry, recently reported that “eCommerce is gaining critical mass” as the top distribution technology trend in 2013. According to a 2012 MDM survey, 85 percent of distributor respondents confirmed plans to upgrade their website in the following 12 months and said that eCommerce functionality was one of the top improvements they wanted to make.

Once considered a high-tech capability that would never impact mainstream electrical distribution business, website eCommerce has nonetheless proven its worth and continues to play a growing role in today's distribution industry. Though online retail giants like Amazon Supply and Grainger have demonstrated exceptional skill in electronically servicing customers on a global platform, experts confirm that distributors who employ sound eCommerce strategies on their own websites can effectively compete with those online superstores in their own markets. *IMARK Now* interviewed distributor eCommerce experts (from IMARK Member Service Provider companies) on the importance of having strong website eCommerce capabilities and offer tips to help take a web storefront presence from average to outstanding.

A Clear Need

Without a doubt, “there’s been a clear increase in the number of companies looking to add eCommerce to their static website or upgrade their existing website with a more modern eCommerce solution incorporating features that today’s buyers expect when they purchase online,” says Keith Lambert, vice president of marketing and business development for Kore Technologies, a California-based provider of enterprise integration, business intelligence and eCommerce web solutions. “We’re seeing companies that have traditionally operated in only a B2B environment become interested in selling their products online and compete in the B2C environment to expand their markets and revenue.”

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Rich Schmitt, vice president of Schmitt ProfiTools, Inc., a St. Louis-based provider of web and mobile storefronts, website design, catalogs, content creation, price management and consulting for distributors and wholesalers, agrees. "The last few years have shown tremendous growth and innovation in website sales and marketing," he confirms. "Contractors and institutional customers are increasingly demanding online access and order entry capabilities from their home or mobile phone, and if their favorite distributor can't provide it, they're finding a new favorite. As a result, electrical distributors have been scrambling to upgrade their websites and web storefronts to keep up with this rapidly evolving market."

Mike Wentz, vice president of marketing and operations for the Industry Data Exchange Association, Inc. (IDEA), the official technology service provider and eBusiness standards body of the electrical industry, also confirms a recent uptick in the number of eCommerce projects requested. "We've noticed a huge push for web-friendly marketing content over the last year, and introduced the Industry Data Warehouse (IDW) 'Bands of Excellence' program in 2012 based on all the requests we were receiving from distributors."

According to Keith Peck, president of ElectricSmarts Network, a leading electrical industry search engine and portal dedicated to providing current information on industry news, training and products, distributors have been particularly interested in "leveraging their website, e-newsletters, social media and mobile apps to help promote their customer service orientation and deepen their dialog and relationships with current and prospective customers," but he believes that distributors have realistic expectations regarding its impact.

"Distributors are interested in transacting business electronically, but they aren't anticipating that large commercial or construction projects will suddenly be ordered through a shopping cart on their website," he says. "Many distributors are already fulfilling bid pricing requests electronically through NetPricer's connection to the estimating software packages, and there's interest by distributors in accepting purchase orders electronically from estimating and project management software, areas of large dollar volume. There's opportunity here for improved cost efficiency for distributors and it provides specialized connectivity that Grainger and Amazon aren't likely to pursue."

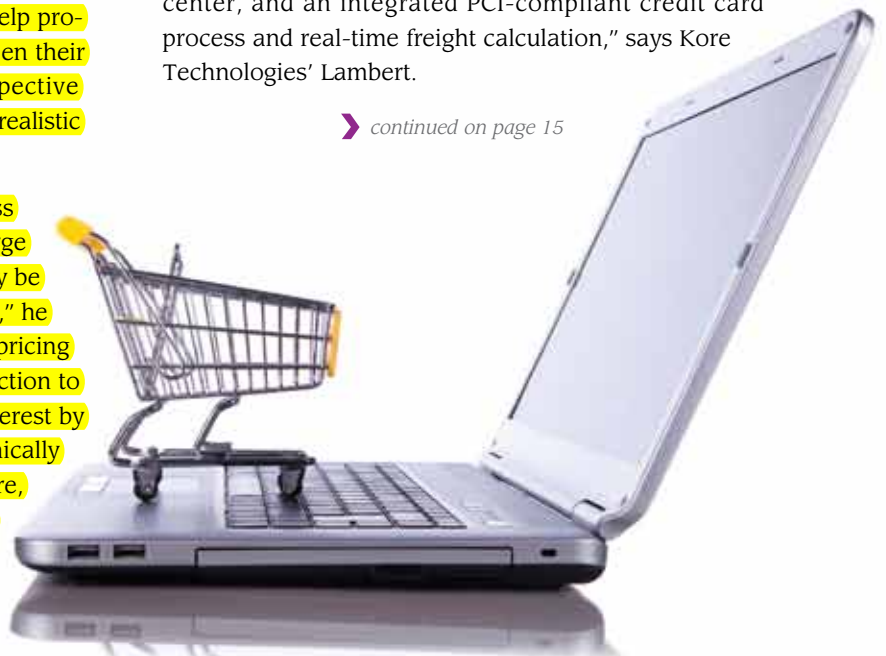
Best Bets

When it comes to best practices in website eCommerce design, "content is king," Peck says. "Videos, new product news, manufacturer eCatalogs, access to product data, e-learning, feature stories, and an electrical niche search engine are all resources that can deliver value and provide a compelling website experience for customers."

Wentz concurs that "content is the heart of every great website, and without good quality content, all the added bells and whistles will be a waste of money," and further notes that strong websites also feature seamless integration with other business systems, such as the distributor's ERP. "Distributors should consider integrating their eCommerce solution with freight (e.g. UPS, FedEx) and payment companies (e.g. Bank of America, PayPal) so that freight calculation and payments can be made in one complete transaction without manual intervention. We've also noticed that industrial customers are starting to require punch-out catalog capabilities in order to bid on their business," Wentz says.

Among other traits of well-designed website eCommerce systems are the incorporation of "a dynamic, database-driven online product catalog with support for search engine optimization (SEO), multiple stores and/or micro sites to promote specific brands or cater to specific audiences and flexible pricing models, as well as integration with maps to locate the nearest branch, dealer or service center, and an integrated PCI-compliant credit card process and real-time freight calculation," says Kore Technologies' Lambert.

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"Above all else, the site has to help the customer find the product he needs," agrees Schmitt, "as well as display up-to-date pricing and product availability, offer customers access to up-to-date account information, contain high-quality product content and consistently-sized images, be easy to maintain so the content can be kept current without a large staff, and provide robust reporting tools."

On top of all that, says Bill Floyd, vice president of sales and marketing for ElectricSmarts Network, the system should emphasize "simplicity and ease of use." Wentz of IDEA adds it should also "provide an enjoyable user experience, because if a website isn't intuitive and flexible, customers will get frustrated and buy elsewhere."

"To start," Wentz continues, "distributors should give customers multiple ways to search for products such as 'free-text search,' 'shop by brand,' 'search by part number/UPC,' or 'navigate by category.' They should also allow users to save favorite products for future use, compare features between similar products and provide an optimal user experience on different mobile devices."

Ultimately, confirms Floyd, "these types of features, along with locally-available product, will help customers stay loyal to the distributor's brand and help them retain as much customer control as possible."

Avoiding High-Tech Hazards

While most distributors agree that having a website eCommerce capability is a critical means through which to communicate with and sell to a tech-savvy new audience, many underestimate the time, effort, resources and strategy involved in building a first-class presence. Below, our experts share some common misperceptions that electrical distributors often fall prey to when it comes to building a web-based eCommerce capability:

- **Best-Laid Plans** – ElectricSmarts Network's Floyd confirms that the most important first step when establishing a web capability is developing a well thought-out plan, one that addresses such elements as the kind of eCommerce the distributor wants to offer, the audience they're expecting to attract, the likely results and why they're establishing this capability in the first place. "Wholesalers often underestimate how expensive building an eCommerce service will be. Before diving in, they should first make sure that the nuts and bolts of their website are in place," he says.

- **Build and They Will Come** – "I think the biggest misperception we encounter is that all a distributor needs to do is 'build it and they will come'— that once they've launched their new storefront with their product catalog, images, etc., the orders will start rolling in," Kore Technologies' Lambert says. "The reality is that after the system's construction,

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marketing needs to set online sales goals and actively promote the site to drive traffic as well as ensure that the website supports organic search engine traffic objectives. Monitoring will then be required to fine-tune the site, as will the provision of updated content in order to keep the site relevant and entice visitors to keep coming back."

- **Good vs. Good Enough** – ProfiTools' Schmitt warns about the dangers of taking shortcuts and suggests that distributors consider enlisting professional support to complete their system's development. "Creating, organizing and linking descriptions and then collecting and editing high-quality images for thousands of products is often a project that never gets completed, and the 'I can create good product content in-house' approach, while potentially cheaper, may not necessarily result in a quality outcome," he says. He adds that many distributors also feel that their web solution is 'good enough' if it was updated within the last few years. "You may be able to sell your customer a two-year-old steel box," he says, "but an old webstore just doesn't cut it in the face of competitors who offer better, faster and more attractive alternatives."
- **Size Matters** – "Some distributors think they're too small to have a web storefront that could ever compare to sites like Grainger and Amazon Supply, but we've seen it happen and are helping many distributors compete with these online giants," Wentz says. "Leveraging organizations such as IMARK and other industry service providers can help distributors prioritize and quickly build a foundation for their web storefront. "In addition," he says, "a lot of distributors think their web storefronts are just for external customers, when in fact their content management system can also benefit their own internal sales teams by offering a new tool to search and find product details, one that's typically more user-friendly and flexible than their ERP system."

Overall, concludes Schmitt, "electrical distributors need a professional, first-rate website/webstore to differentiate them from and, ideally, 'disqualify' their competition. If you don't have a competent webstore that provides an easy way for customers to order from you online, you're probably losing business to a large national or a progressive local competitor."

For more information on how IMARK Service Provider experts can help IMARK members build or enhance their website eCommerce capabilities, contact:

- ElectricSmarts Network in Glastonbury, CT at (877) 400-5991 or visit www.electricsmarts.com
- Kore Technologies in San Diego, CA at (858) 678-0030 or visit www.koretech.com
- Schmitt ProfiTools in St. Louis, MO at (314) 872-9199 or visit www.go-spi.com
- IDEA in Arlington, VA at (703) 562-4675 or visit www.idea-esolutions.com