Multichannel Commerce

The Secret to Unlocking Ecommerce
Success in 2021

Plytix

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A quick one worth mentioning...

In this white paper, you will learn everything you need to know about multichannel commerce. But, before we dive in, we feel that it is important to demystify the confusion between multichannel and omnichannel, so that your read is as informative and comprehensive as possible.

Multichannel and omnichannel offer entirely different customer experiences – they have a separate focus within an ecommerce organization. Omnichannel is a robust approach to customer service that unites every touchpoint together as one. It is a strategy that revolves around communication, whereas multichannel is not. Each channel within your "multiple channel portfolio" operates as an independent platform and can function alone. While these two strategies complement each other in the digital sphere, they are worlds apart on paper.

We hope this guide brings you up to speed on the latest ecommerce happenings and encourages you to go multichannel before it's too late. Buckle up for 2021, and enjoy!

The state of ecommerce

After 2020, ecommerce is sitting on the tip of every retailer's tongue.

In three months, ecommerce jumped to a 33% market share from 16% in 2019 – McKinsey and The Bank of America record this as a literal decade of growth in one quarter.

The pandemic disrupted every business vertical; from fast-moving consumer goods (FMCGs) to non-essential products and services. It forced businesses to dip into their contingency plans, and accelerate digitization immediately. For many small-to-medium-sized business owners, the transition was overwhelming. Quick growth paired with insufficient resources, outdated architecture,

and poor customer experience can be dangerous. Often why 90% of ecommerce start-ups fail in the first 120 days.

Companies were simply unprepared to cope with (*and technically solve*) customers' needs. Apart from a massive spike in orders and returns, on-demand customer requests, logistic technicalities, and more, customers were starved of brick-and-mortar visits. Therefore, 75% of consumers started shopping online on multiple channels. It was no longer about brand loyalty and it quickly became a case of convenience. To avoid further hiccups, retailers resorted to the popular "Click and Collect" delivery method, where Shopify recorded a 443% increase in orders using this.

US ecommerce penetration, %

10 year's growth in 3 months

40%

30%

20%

10%

0%

2009   2011   2013   2015   2017   2019   2020
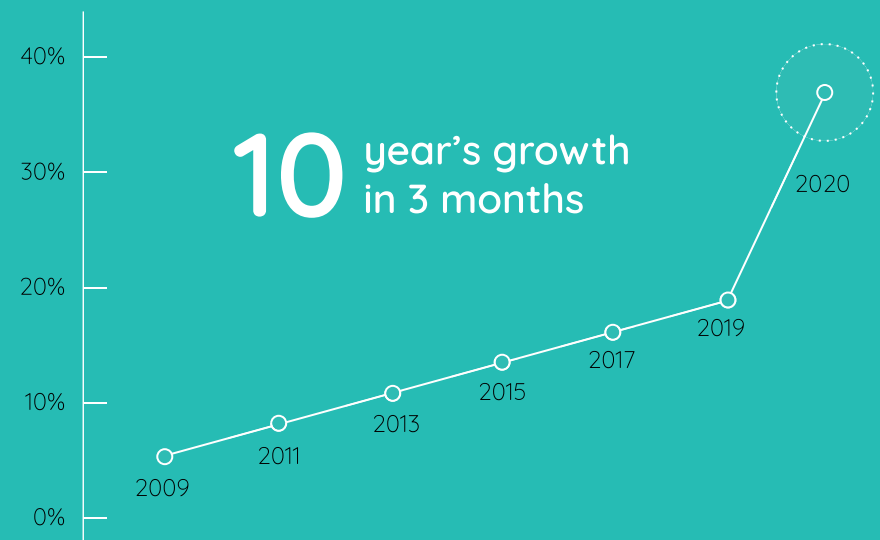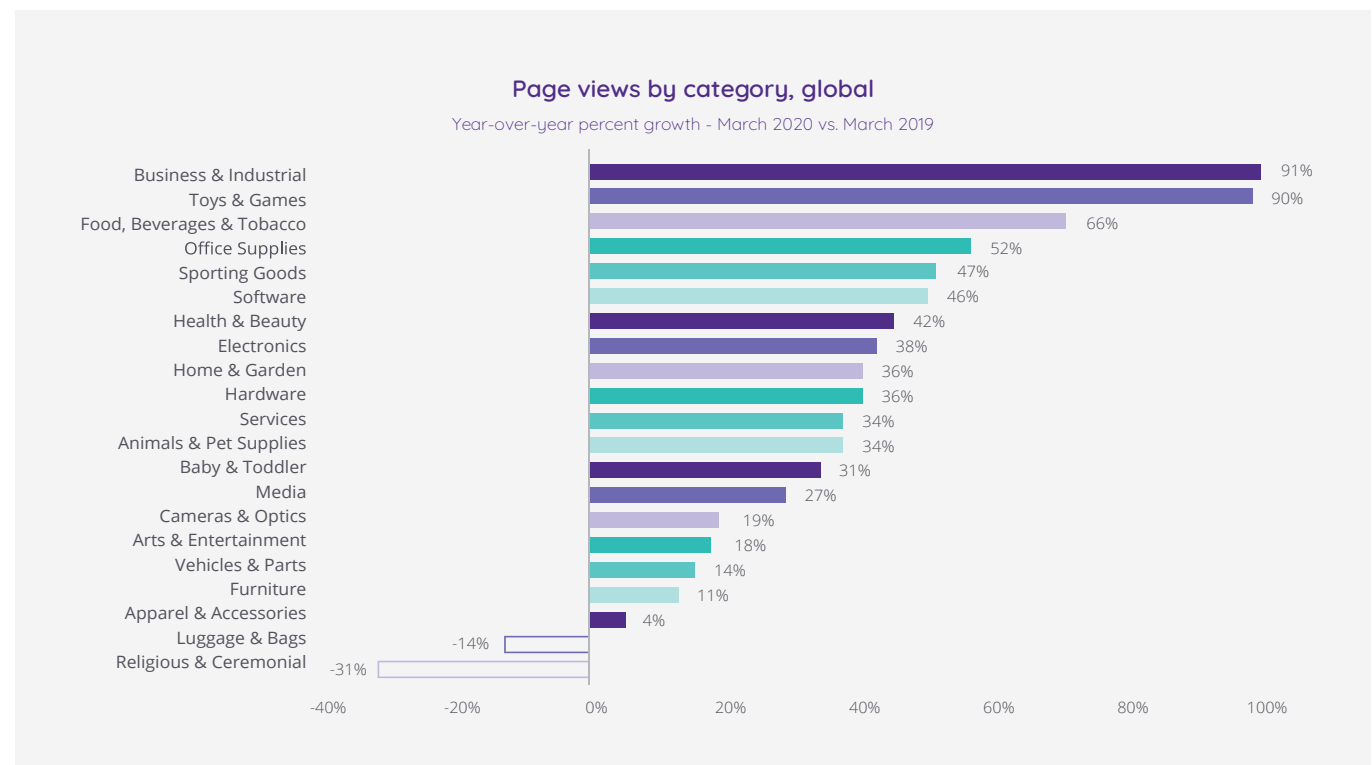
A shift in shopper habits

Before the pandemic, more than [63 percent of shopping occasions](#) began online. No matter where the purchase was made, the seed was planted on the internet. In 2019, the shift from an in-store-*only* presence was already well underway. Companies were modernizing and shopping habits were changing. But consumers still preferred to shop for essentials in a physical store. By the end of the year (2019), people were mostly shopping online for [electronics, apparel, footwear, fitness and wellness, and skin care products](#) among others.

Once global lockdowns hit in 2020, priorities had seeming changed. People had started searching for [food, beverage and tobacco, toys and games, and sporting goods categories](#) online to keep them-

selves entertained. On that note, It is important to mention that [before the pandemic, people's main priorities when purchasing were quality (48%), price (47%), and brand (24%). Now, they're mostly focused on availability (49%), price (36%), and quality (34%).](#)

It's naive to think that shopping will return to "normal" – it won't. It is expected that [95% of all purchases will be conducted via ecommerce by 2040](#), pushing the industry ahead by at least five years. This is the future of retail shopping, and the faster brands move online, the better.

In 2021 and beyond, you will quickly start to see a growing need for a multichannel approach to commerce. And as a result, you will need an adaptation strategy.

Page views by category, global
Year-over-year percent growth - March 2020 vs. March 2019

Category	Growth
Business & Industrial	91%
Toys & Games	90%
Food, Beverages & Tobacco	66%
Office Supplies	52%
Sporting Goods	47%
Software	46%
Health & Beauty	42%
Electronics	38%
Home & Garden	36%
Hardware	36%
Services	34%
Animals & Pet Supplies	34%
Baby & Toddler	31%
Media	27%
Cameras & Optics	19%
Arts & Entertainment	18%
Vehicles & Parts	14%
Furniture	11%
Apparel & Accessories	4%
Luggage & Bags	-14%
Religious & Ceremonial	-31%

Source: https://www.marketingweek.com/how-covid-19-has-changed-shopper-behaviour

Visual commerce continues to grow

As many retailers try to recreate a similar product display online to that in-store, the more they've realized how this type of marketing is only possible with visual commerce. In such a competitive market, digital designers face the creative challenge of illustrating a unique, engaging experience that shortens the path to purchase. A well-known activewear brand, adidas, is a great example of visual commerce. They include videos, rich imagery for storytelling, 3D visualization, and more to their online store. Occasionally, they also help customers shop for a "look" without having to navigate the entire website for those items.

*Source: https://www.yotpo.com/blog/visual-commerce-the-power-of-pictures-in-reviews/*
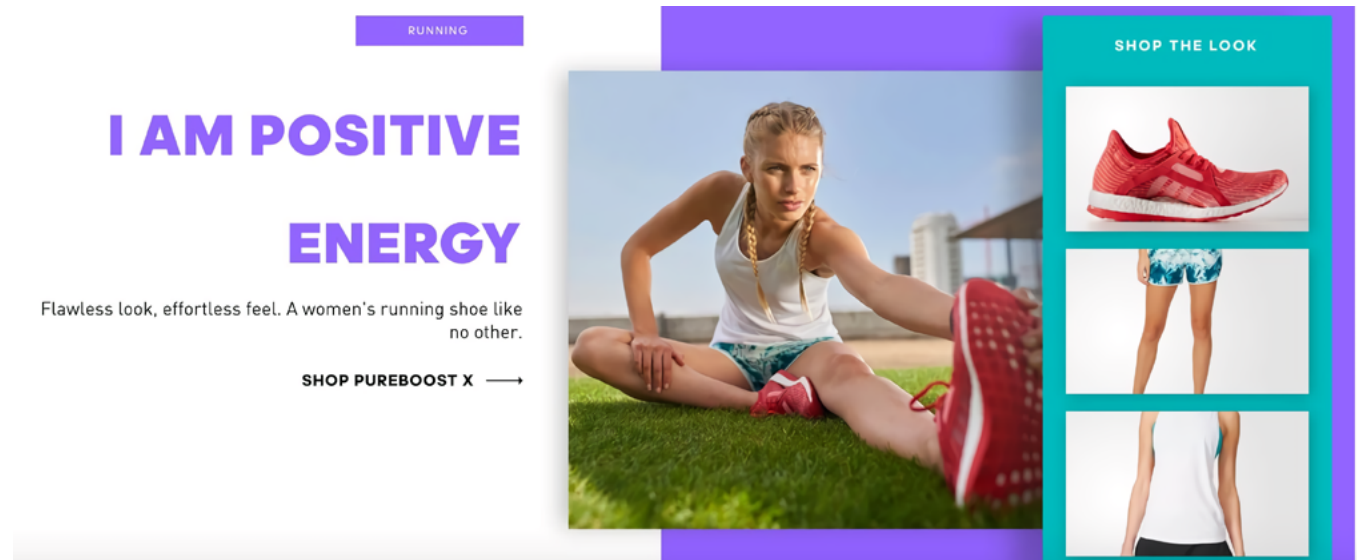
To add to this idea, more brands are dipping their toes in user-generated content to sell to their customers on popular social channels. With product reviews, for instance, 91% of consumers read online reviews to get a feel for a brand before making a purchase. On top of that, 84% of people trust reviews just as much as they would word-of-mouth. Therefore, incorporating recommendations into your product pages will ignite trust and further interest.

Mobile will dominate commerce sales

The average American [checks their phone about 96 times a day – once every 10 minutes](#) – and switches between applications such as [YouTube, Facebook, Gmail, Google](#), and more, on a daily (or hourly) basis. It's clear that mobile devices have become an essential part of life; a necessity for modern individuals. Consumers have even become more trustworthy shopping on mobile.

As it stands, more than [45% of the total U.S. e-commerce market already uses their mobile device](#) to purchase products or services, and it is expected to rise to almost [73% of total ecommerce sales](#) by the end of 2021.

Mobile commerce is a competitive space, and the only way ecommerce sellers can guarantee success is through mobile-friendly and well-optimized listings. Focus on product listing optimization for search (bots) and discovery (users). Optimize for multiple channels, marketplaces, and comparison shopping engines (CSEs) using hyper-relevant keywords, unique titles, detailed descriptions, rich imagery, and more. Be where your customers are, and watch how they engage with your listings.

Source: https://sourcingjournal.com
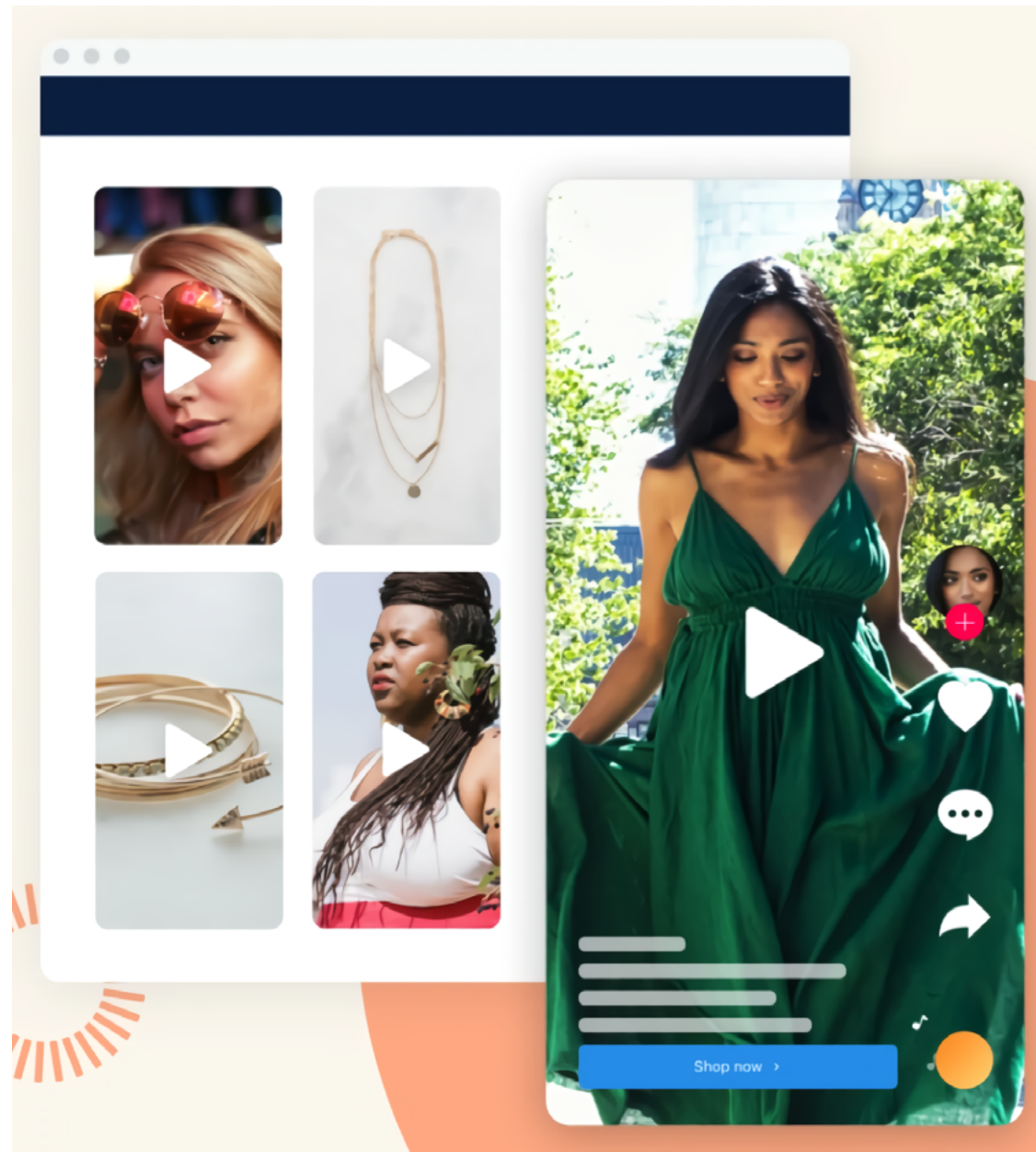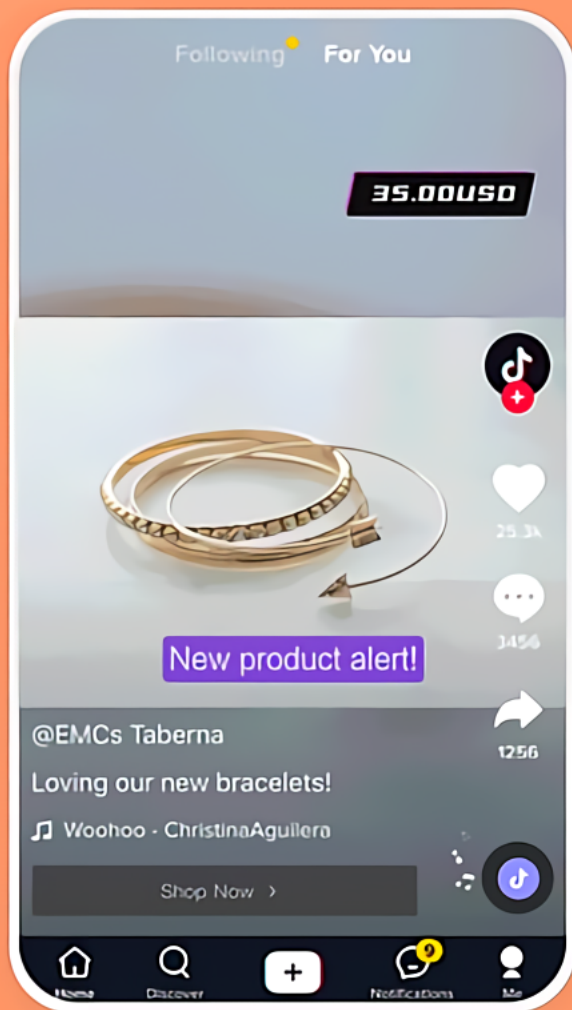
More social commerce partnerships

Social media has not only changed the way we communicate, but also the way we shop. 87% of shoppers say they consult with or search on social media before making a purchase. This means social commerce is a must for retailers wanting to reach their customers online and offline. TikTok, for instance, has recently announced a partnership with Shopify.

According to this article, "the deal aims to make it easier for Shopify's over 1 million merchants to reach TikTok's younger audience and drive sales. At launch, the agreement allows Shopify merchants to create, run and optimize their TikTok marketing campaigns directly from the Shopify dashboard by installing the new TikTok channel app from the Shopify App Store."

Shopify already has existing partnerships with Facebook, Instagram, and Pinterest, now adding TikTok to their portfolio. This just shows how the iconic ecommerce platform has created significant growth for its merchants, allowing them to take advantage of social commerce in a digital age. It even allows you to integrate the look of your Shopify store to your social shops.

Multichannel is absolutely necessary

Retailers cannot choose between multichannel and omnichannel, you need both to survive.Multichannel is about being available in-store and on the various digital channels where customers shop, whereas om-nichannel, on the other hand, is about the customer experience you provide to your customers at every touchpoint. To think that 3.8 billion smartphone users, globally, wouldn't expect modern brands to provide both services would be narrow-minded.

We see that Gen Z spends 2X-3X more shopping on social channels. To add, BigCommerce has also shared that U.S shoppers specifically choose to shop on Amazon, branded ecommerce websites, and brick-and-mortar stores. Retailers cannot ig-nore their customers' demands; they're the ones running your show.

Start analyzing your customer data and adapt to how they shop

3.8 billion
global smartphone users

Gen Z customers shop
3x more
on social channels

More retailers adopt headless architecture

Today, it is becoming more complex for retailers to keep up. Traditional ecommerce platforms have their boundaries, many of which do not support the freedom and customization that brands need to compete. Many well-known brands and retailers, for example, Michael Kors and Walmart, have already switched to an API-driven structure that integrates with third-party systems.

In its simplest form, headless commerce is an architecture that decouples the front-end presentation layer of a website from the back-end's ecommerce functionality. The purpose of this approach is really to give designers and user experience (UX) specialists the freedom to build whatever and however, they want. Without having to deal with feature limitations.

While the customer experience will be incredible – be it *due to new channel integrations*, *growth in international markets, or the introduction of new payment methods* – it is a setup that is heavily reliant on the IT department's resources. Without the on-demand skills, your projects will be delayed. Fortunate-

Source: https://www.sparkred.com

Source: https://www.simicart.com/blog/headless-commerce-examples/
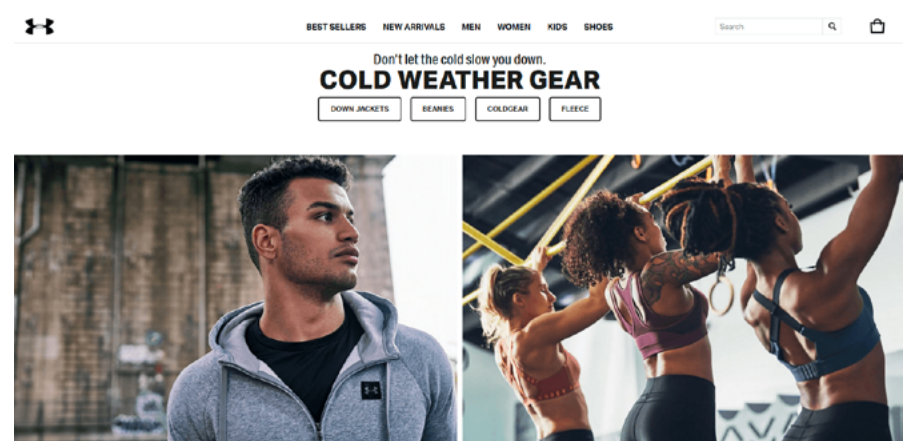
ly, a PIM tool, for instance, works a bit like the back-end architecture of headless commerce. You have your rich product information in the tool, accessible to all, and your front-end can be your webstore or a channel store. In the past, an entirely "headless" approach was more suited for larger companies with big budgets. But times have changed, and smaller B2C and B2B companies are investing in this structure. Your choice all depends on your needs. And to be frank, if you need something done fast, the best alternative is a PIM.

What influences shoppers to buy

Factor	Percentage
Price	87%
Shopping cost and speed	80%
Discount offers	71%
Variety of options in stock	71%
Trustworthy reviews	68%
Flexible or free returns	68%
Brand reputation	67%
Simple site navigation	64%
Tailored selection of products	53%
Mobile-friendly webpage	46%
Loyalty/Rewards program	45%
Friend and family	42%
Top search engine results	39%
Social media recommendations	23%
Advertisments	21%

Source: https://www.digitalmarketingcommunity.com/indicators/price-influencing-purchasing-factor-87-american-shoppers-2017-bigcommerce-square/

Selling on multiple channels

There is no doubt that the pandemic has certainly accelerated digital activity on mobile. But to be realistic, consumers have been using their mobile devices to chat, browse and shop for years. They're glued to their devices; part of the reason why 75% of shoppers browse for items online while shopping in-store.

It is normal that shoppers will first consult other brands and channels before making a single-channel decision. Why? Because even you and I are not ready to buy something the first time we see it.

Thriving ecommerce brands have one thing in common: they're multichannel. They're present on a variety of channels and marketplaces to reach more customers and offer more sales avenues. By using one channel to sell your products, you're willingly sabotaging your brand's revenue and growth potential in a highly competitive market. Expanding your channel strategy for global markets provides convenience for your customers and diversifies financial risk.

Choose your channels wisely

What is a channel, you might ask? Simply put, a channel is an umbrella term for various digital platforms where you can sell products or services. Depending on your needs, you can choose to have full control over your channel by customizing a store on social media (Facebook, Twitter, Instagram, or Pinterest) or leveraging third-party websites such as marketplaces (Amazon, Walmart, Etsy, etc.) and CSEs (Google Shopping, Shopzilla, etc.) to post a product listing and gain high-volume traction. By opting for a presence on all three types of channels, it will be easier to reach both niche and general audiences around the world.

However, be strategic with the channels you choose; it needs to be specific to your product, operational size, and business model.

Without the bandwidth to support a diversified portfolio, you can do more harm than good. Jumping from one channel to three,

five, or 10 means more time and money. If you haven't got an inventory system to record your figures, or a product information management system to centralize product content, you will likely run into some unfortunate stock problems. (These problems are costly, leading to an average of $634 billion loss per year across the globe.)

There are over 100 general and auction marketplaces to choose from that will add value to your business model. As you explore them, you will notice how they all have their own quirks. For example, the product label, title, and descriptions you use will differ entirely per platform. Amazon, for instance, requires bullet points of the features for the description, whereas eBay requires a high-level summary of a product, answering common questions. Regardless of whether you choose a channel, CSE, marketplace, or a mixture, be mindful of the product information admin that comes with it. Keep each platform consistent to maintain a positive shopping experience.

Are you looking to increase the amount of traffic to your store?

Are you looking to engage shoppers who are active on search listings?

Are you looking to find new customers who don't know about your business?

Are you looking to re-engage customers who have abandoned shopping carts?

What is a marketplace?

An ecommerce website, unrelated to your business, that enables third-party sellers or vendors to sell products and services. Customers generally flock to marketplaces as they're able to search for many different brands or categories in one place, compare prices and find alternative products.

Good to know: every marketplace and comparison shopping engine (CSE) is a channel, but not every channel is a marketplace or CSE. The reason why is that channels, largely related to social media, are personally created and run. You provide both an informative browsing, and ecommerce presence on social networks where customers can either engage with or shop from your brand in one place. Marketplaces and CSEs, on the other hand, are third-party platforms that enable sellers to create a listing or listing profile on their site. This is done for free, or you're charged a commission fee for the placement. Essentially, you piggyback off their presence instead of your own.

What is a comparison shopping engine (CSE)?

Most consumers shop according to price. With so many over-lapping products, customers prefer to do their research on prices and features to ensure they're making the best decision. Make it easier for these customers, at any point of the buying cycle, to find and compare your product with others.

Good to know: a traditional web store or a store in Shopify is only one channel. Simply sharing this information on social media (Facebook) is not another channel. You need to have an ecommerce presence within those platforms to consider it a selling channel.

What is social commerce?

Social commerce, an interactive approach to ecommerce, offers massive scope for modern brands. By leveraging global audiences on native platforms such as Facebook, Pinterest, and Instagram, you can connect with thousands of new customers in minutes. Many prefer to use this as a sales channel because it's personal and convenient. You're everywhere that your customers are, and you don't have to adhere to third-party restrictions. Another perk is that the social media channel you choose can be identical to your brand identity. All you do is create a page that mimics your brand's messaging and style. You also control it; therefore, you can personally engage with customers and build loyalty. As your social media presence grows, so will your product traffic and rankings.

How to thrive in multichannel commerce

Operate from a central source of truth

Manage your product information and visual assets in one place that's accessible to the entire organization. A Product Information Management (PIM) will ensure that content is accurate, consistent, and up-to-date. All teams can collaborate in real-time to avoid internal inefficiencies and data silos, which will, in turn, increase product to market time and sales opportunities.

Optimize product content to rank higher

To rank higher, you'll need to optimize your content. Why? Each sales channel has strict criteria that need to be met to provide value and increase sales. When you manage your multichannel listings in one, single source of truth, it is easier to control content at scale without having to resort to old ways: spreadsheets. Now, you can also manage more sales channels at once.


Automate processes that are manual

Speed up internal processes and achieve accuracy through automation. Ecommerce is a cut-throat industry, and you cannot be spending hours updating product information or calculating stock. Streamline any manual task, and centralize all relevant information in one, accessible place. This gives staff the freedom to perform without bottlenecks or having to juggle multiple tasks. Errors happen, and when your teams are pressed for time, they're more likely to deliver poor results.

Tie your tech stack together with the right tools

Retailers are responsible for the impact of their customer's journey with their brand. Multichannel commerce is only possible if your internal organization operates smoothly and efficiently. Implementing the right tech stack to collaborate, analyze, convert, maintain, communicate or delight customers will greatly change the way your business functions.
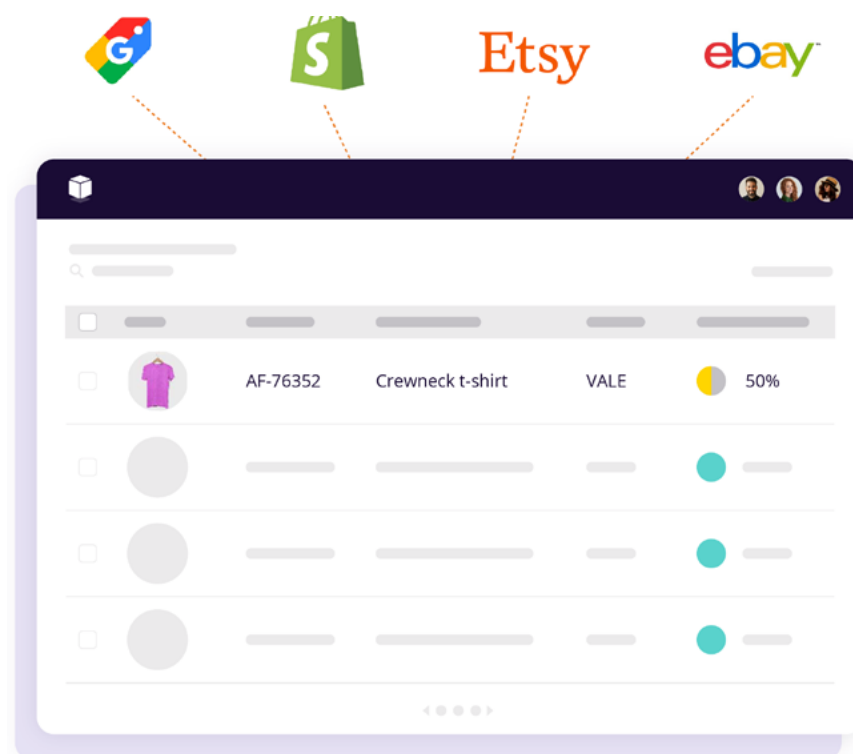
Make multichannel commerce possible with a PIM

A Product Information Management (PIM) tool should sit at the heart of every retail organization. It is a constant in all the ecommerce chaos and a centralized place to manage your product information across an ever-growing number of marketplaces and channels.

There is no shortage of channels available to you – but they're demanding. Each platform requires a strict criterion of information that is unrealistic to manage in a clunky spreadsheet.

The beauty of ecommerce channels is that there is no shortage. You don't have to be everywhere at once, you can pick and choose the channels you want to be present on as you grow. However, when you do

choose your list, bear in mind that they're very demanding.

Each platform requires a strict criterion of information that is unrealistic to manage in a clunky spreadsheet. Whether you're required to shorten, tweak or improve your product listing optimization for search and discovery, it is all possible in a next-generation PIM. If you consider how ecommerce has grown – more and

more people wanting to sell and buy products online – you wouldn't ignore the opportunity to innovate.

Even if you're a Fortune 500 retail organization with an established headless commerce structure or one that's in the early stages of migrating to headless commerce, a PIM is a nifty model. For the latter, it can act as back-end architecture for your website. You have your

rich product information in the tool, and your front-end can be your webstore or a channel store.

For smaller businesses with a traditional ecommerce structure, a PIM is equally as valuable. It can help you automate the creation, optimization, and management of product information, analytical data, visual assets, and other materials for internal and multichannel distribution.

MULTICHANNEL COMMERCE

- Ecommerce Platforms
- Comparison Shopping Engines
- Marketplaces
- Department Stores and Chain Stores
- Mom and Pop Stores
- Social Commerce

About Plytix

Plytix is a Product Information Management (PIM) platform designed to help you manage product content at scale. It's the single source of truth that will get you to market faster and smarter.

Without clunky spreadsheets and outdated information, your team can find, edit, share and analyze accurate information across all your sales channels with just a few clicks.

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