3 Common Problems That Plague Brands Navigating the eCommerce World

12th Sep, 2019

BY BRADLEY

Over the last three years, I have helped deploy eCommerce analytics solutions for several brands and manufacturers globally. During this time, I have conversed with day-to-day users up through C-Suite executives of some of the world's most successful brands, while also working with the founders of startup brands who were simply trying to find their place in the world of commerce.

As I look back on my time to date, I have noticed a few themes emerge from my diverse client conversations with brands, which are indicative of an ecosystem that's only now coming to terms with retailers and consumers moving online. Here are three fundamental problems I've seen brands often run into as they adapt to the world of eCommerce:

1. "We have no idea what we are doing"

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My favorite part about being an analytics solution provider is the introduction session with a new client. I always entered these conversations with a few key questions:

– What are your top three eCommerce initiatives for the next 12 months?

– How does your team and other internal resources align with these initiatives

– How do you envision using this type of tool to help you succeed with your goals? What made you choose ours?

Early in my career, what always amazed me was that these enormous brands – wildly successful brands – entered into a partnership without a clear plan to execute. Many would fumble through what I thought were very basic questions. After a few of these conversations, I came to the realization that most brands have a limited understanding of what they are doing in eCommerce.

How could this be possible?

I remember a conversation with a large CPG brand executive. He said, “Keep in mind, most of the people doing these jobs are from a bricks-and-mortar

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world. They don't have eCommerce experience because no one does. It is too new. We don't have the resources to hire more people because eCommerce makes up less than 1% of our total revenue."

As an industry, brands are collectively making it up as they go. Few admit it, but the industry is growing and evolving so fast, the best that some do is hold on for the ride (while taking a few calculated chances along the way).

2. "We measure success poorly"

I have noticed that, with time, many brands are starting to get a better grasp on how to operate online, though there is still a long way to go for many. The best evidence for this improvement is the growth in the number of job posts for eCommerce-focused roles, new vendors popping up in this space, and industry centers of excellence being developed. As more people choose eCommerce roles, the biggest challenge that I see is the lack of effective measurement and training processes.

Often, the issue is that many brands take a long-standing, loyal executive and assign them as the eCommerce leader. When this person is not forward thinking, analytical or open to trying things a new way, brands fail. The reason startup brands are winning online is because they are entering the

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eCommerce game with an open and fresh perspective. Forcing old ways into eCommerce will surely lead to failure.

I have worked with many brands that have developed eCommerce centers of excellence and have shared best practices on how to measure teams and success. The most painful to deal with were the organizations that brought their bricks-and-mortar measurements into the eCommerce world. The data used to measure success was the wrong data. The KPIs were set in a way that people would surely fail.

In my opinion, the best measurements for success are sales growth (not share growth), digital shelf KPIs (search and content first), and a subjective measure on maturity in the industry. The best first step is to have someone lead the team who understands how to measure success and execute in a cutting-edge and evolving environment.

3. "We sign up with either too many or the wrong service providers"

The final observation is one that is costing many teams a lot of money. Many brands start to move into eCommerce based on their old team structures.

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Each team has a separate eCommerce objective, budget, and set of tools to execute with.

Then, when the centralized eCommerce team (Center of Excellence) gets established, they will likely find many teams working with many tools. Sometimes, they see many teams signed up, via separate contracts, with the same tool. Worse still – it's often the wrong type of tool.

As brands evaluate tools, they need to ask questions such as:

- Does this vendor provide global coverage, so that we can establish a global way of thinking and executing (with the ability to customize for local consumption when required)?
- Does this vendor have the backbone (people and technology) to scale with my business?
- (The best question, in my opinion) Does this vendor have people who are willing to listen and understand my business, or are they simply people who want to sell me a cookie-cutter solution?

In my experience, I have seen brands spending way too much time, effort, and money on vendors who do not check the boxes listed above.

Summing up...

As I look back over my time serving brands in the eCommerce analytics space, I have seen an industry morph and transform time and time again. I have seen companies shift, re-shift, panic and pivot.

If you're a brand, my encouragement to your team is to hit the pause button. Ask the right questions. Evaluate your goals, your team structure, and your vendor partners. If the strategy, execution, people, and measurement, are not aligned, come up with a plan to get them back on track. Be willing to learn a new way to do business.

Pause. Reset. Measure.

- Bradley Keefer

Sales Director at DataWeave, 12th Sep, 2019

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