

The E-commerce Playbook

Reach your next e-commerce goal



Introduction

Wherever you are in your e-commerce journey, from filling your first virtual shelves to branching out into new, international markets, the path ahead is bursting with opportunity.

\$1.4 trn

the expected e-commerce growth by 2025¹

4.6 bn

the number of people set to be shopping online in 2024, a 34% rise on 2020²

77%

how many global internet users buy products online monthly³

We've put together this Playbook to help you stand out in this exciting and competitive landscape. Divided into five easy-to-digest chapters, you can read it from beginning to end or dip into specific sections using our handy, colour-coded key to guide you.

E-commerce is the future. So let's make your next steps count!

The information provided in this document does not constitute legal, tax, finance, accounting, or trade advice, but is designed to provide general information relating to business and commerce. This content, information, and services are not a substitute for obtaining the advice of a competent professional, for example a licensed attorney, law firm, accountant, or financial adviser. Please note: where there isn't a local version of an external link, you will be directed to either an English version of the page or the original country version.

1. Euromonitor International 2. Statista, Digital Marketing Outlook, Sept 2020 3. We Are Social/Hootsuite

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1. Starting out in e-commerce	P03
2. Get your store in order	P07
3. Understand the costs	P12
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Section key

OPPORTUNITIES

Discover new opportunities through research and analysis

NEXT LEVEL

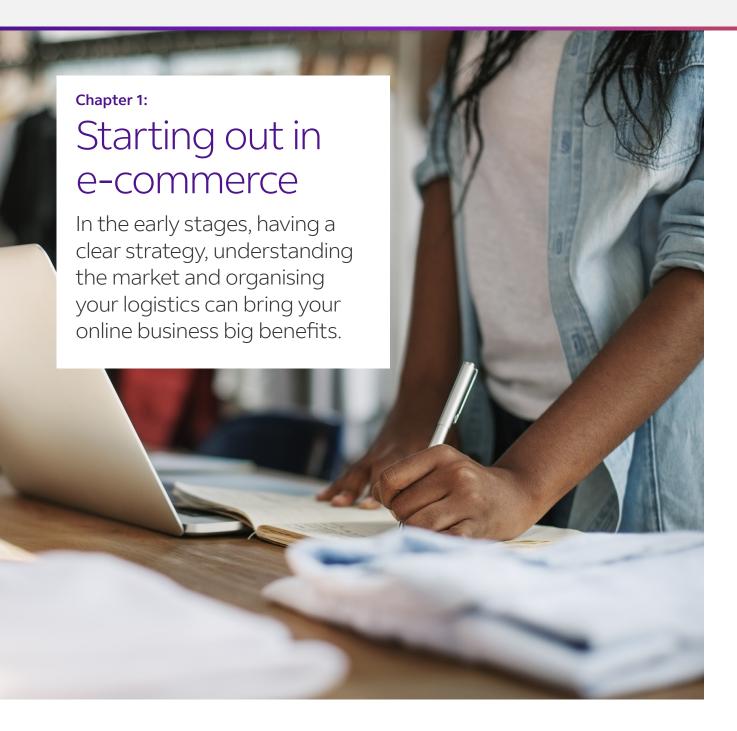
Get ideas for finetuning your offering and reaching your goal faster

ACTIONS

Take practical steps to help you build your business

OPINION

Benefit from insider knowledge to help inform your decisions



Why e-commerce? The omnichannel effect

E-commerce is about convenience. So, pushing for a seamless omnichannel user experience by optimising your site across all devices could help you get ahead of the e-commerce game.

90%

Customer retention rates are **90%** higher for omnichannel⁴

13%

The average order value is **13%** more on omnichannel vs single channel⁴

2.5x

Purchase frequency is **2.5x** higher on omnichannel vs single channel⁴

4. Omnisend

The power of planning

Your business plan doesn't have to be 50 pages long or set in stone. In today's fast-moving e-commerce landscape, it's better to be able to pivot quickly. Here are a few important things you could include in your plan:

- Target market: who are your customers and which countries do they live in? Are they easy to reach through cross-border shipping? (Read more about cross-border shipping in Chapter 3)
- Marketing and messaging: how are you going to reach your audience and build your brand?
- Financial projections: plot down expected expenses, sales and profits
- Milestones and goals: what boxes will you have ticked in a month, six months, a year?
- **Team and resources:** think about team members, partnerships and suppliers

You can find plenty of templates online, many for free. Do some exploring and find one that resonates with you.

For example, <u>this template from Shopify</u> is free, detailed and simple to fill out.

OPINION

ShippyPro's tips for going omnichannel



Going omnichannel can help you offer a better customer experience and get the most out of all your different touchpoints. Here are some of ShippyPro's tips for creating a successful omnichannel strategy.

- 1 Unify your tech: bring together all your different platforms and invest in one reliable order management system so you know what's going on at each touchpoint and have visibility over stock and shipments.
- 2 Understand consumers' needs: ask shoppers for feedback to get a clearer idea of their needs and expectations. Analyse their behaviour on your website and shift the focus of your strategy to reflect these findings.
- 3 Know the market: see what the global competition is up to. Research companies that offer the same products as you, and those within the wider market, to find out where your strategy may need adjusting to match (or better) theirs.

Francesco Borghi, CEO, ShippyPro

Get ready to scale up your supply chain

A healthy supply chain is the heart of a successful online business. Here are a few important things you may want to consider when establishing yours.



The pros and cons of local vs international manufacturing

Local manufacturing can mean lower delivery costs, while international sourcing offers greater variety. Examine your business model to choose your best fit.



Strong supplier relationships

From getting good deals on prices to fewer delays, good relationships with suppliers offer a host of benefits. Things you can do to encourage these include, transparency, open communication, and being mindful of cultural differences.



Make the most of the latest supply chain tech

Supply chain software is designed to get your departments – from inventory to sales – working in harmony. It offers streamlined processes, peace of mind and more time to work on growing your brand.



Use analytics to improve and innovate

E-commerce analytics provide insights into everything from shoppers interacting with your site to which content is performing best. (Learn more in Chapter 4)



Consider outsourcing to a thirdparty logistics provider (3PL)

3PL providers offer extensive, often one-stop solutions for packaging, warehousing, transportation and order fulfilment. Benefits include cost and time savings, greater scalability, boosted customer satisfaction and easy returns.



Choose an established logistics provider

Your logistics can make or break your business. By using a trusted provider, you can offer deliveries that attract positive reviews, keep shoppers coming back, and ship cross-border with ease.



Perfecting your marketing strategy

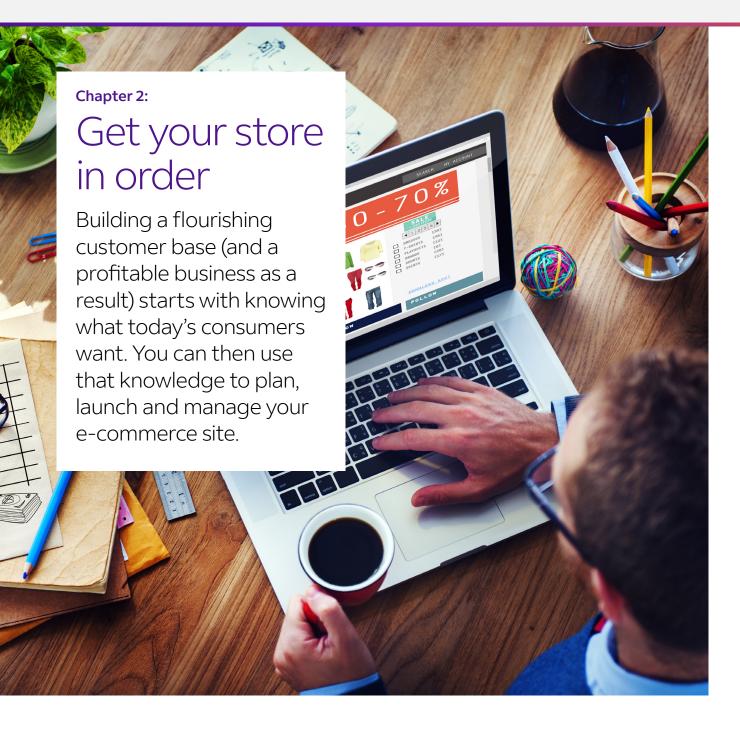
No doubt your business plan includes some great detail on marketing, and how you're going to get the word out and drive sales. But how can you take it further?

• **Get serious about social: 53.6% of the world's population** uses social media. Make the most of both paid advertising using channels such as Google Ads, Microsoft Advertising and Facebook Ads, as well as organic marketing on Facebook, Instagram, and Twitter.

Take time to research the best platforms for your business. LinkedIn,⁶ for example, is by far the most popular for B2B businesses – **96% of B2B content marketers** use LinkedIn for organic social marketing and **97% of B2C businesses** use Facebook.⁷

- Consider word-of-mouth (WOM) marketing: 90% of people are more likely to trust a brand that's been recommended even by a stranger!8 WOM usually starts off organically through the power of your product and positive experiences, but a marketing campaign can boost it. This also means targeting influencers and brand advocates.
- Hone your off-page search engine optimisation (SEO): Think social media platforms, guest posts, and influencers and blogger mentions. Links to your pages on other well-respected platforms could also rocket you up the search-engine rankings.

^{5.} We Are Social/Hootsuite 6. Content Marketing Institute 7. Content Marketing Institute 8. Invesp



What shoppers expect from their online experience

87%

of customers say they want a personalised and consistent experience across all shopping channels.⁹

83%

of internet users worldwide said a quick and easy checkout was the most valued aspect of the shopping experience.¹⁰

64%

Globally, 64% of consumers want orders shipped for free.¹¹

Boosting your traffic through SEO

Getting visitors to your site is key. After that it's turning those visitors into leads, and leads into sales. Here are a few different ways you can find new customers for your online business through SEO.

- Pinpoint your keywords: use online tools to identify keywords and phrases. These are what an internet user is most likely to type in when looking for a product in search engines (such as Google, Bing and Yahoo) and are vital to attracting traffic.
- Optimise on-page SEO: now you've got your keywords, you can use them in your headlines, URLs, blog posts and meta data (the data that provides information about the page in HTML and will impact traffic to your web page and engagement rates, directly affecting your SEO and rankings). Software marketing expert HubSpot recommends that keywords make up 0.5% of your copy.¹²

- Optimise for mobile: with the rise of m-commerce, having a mobile-first/mobile-friendly website should be a priority.
- Analyse your data: user behaviour reports and Google Search Console (GSC) can help you identify which of your pages are getting the most traffic – and which need adapting. (See more on Analytics in Chapter 4)
- Get to grips with Google Ads: with Google's massive reach, it makes sense to drive traffic to your site using its pay-perclick advertising model. As well as helping you reach more potential shoppers and boost your conversions, you can set a monthly budget to control costs.



12. HubSpot



OPINION

Time to ship: what to consider



Your deliveries across the world are an extension of your business, so you want them to reflect the level of service you offer. When it comes to your shipping strategy, consider the following:

- 1 Teaming up with a reliable logistics provider: choose a provider you feel confident will give you business continuity. Make sure they're easy to do business with, and have the global and local knowledge to grow with you and match your ambitions. At FedEx, for instance, we have decades of customs knowledge, some great customs tools and a range of international services to facilitate both cross-border and global growth.
- 2 Shipping costs: lean on door-to-door, all-in options that cover things like pick-ups, deliveries and customs under one cost.

 View your shipping through the lens of your overall customer experience, and judge what feels right to retain loyalty.
- 3 Setting rates: most people expect free shipping over a certain amount, but you can always subsidise this by passing on a small cost to shoppers below that threshold.¹³ This has the added value of bringing up overall shopping cart values.¹⁴
- 4 Your shoppers' needs: this can vary by market, but think about what your shoppers are looking for, whether it's free shipping or more sustainable shipping options.

 ${\bf Chris\, Hodge, E-commerce\, Marketing\, Manager, FedEx\, Express}$

5 steps to help drive fulfilment success

Here are five ways you can create a shipping process that optimises cost, efficiency, and sustainability:

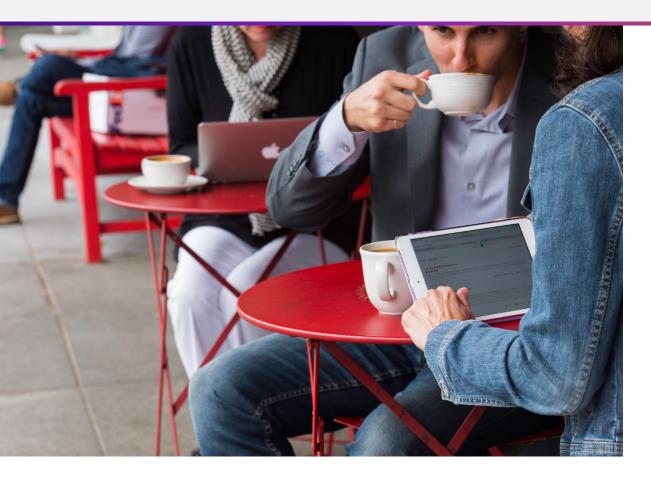
- 1 Research best options for inventory location
- 2 Choose the right fulfilment model:

In-house: where you handle all parts of the e-commerce fulfilment process yourself

3PL: where you outsource your logistics to a third party **Drop shipping:** where you don't keep products in stock, you buy them from a third party when a shopper makes an order

- Learn about labelling and packaging requirements, domestic and international
- Create a more personalised experience by considering multiple payment methods, currencies and delivery options
- Integrate technologies to manage orders across different sales channels. Use tools such as the FedEx shipping calculator for non-contractual services and Contact our sales representatives to get a clear idea of contractual rates.





4 inspiring ideas for amplifying your brand

- (1) Live Q+As on social
- Behind-thescenes videos
- 2 Step-by-step content on-site

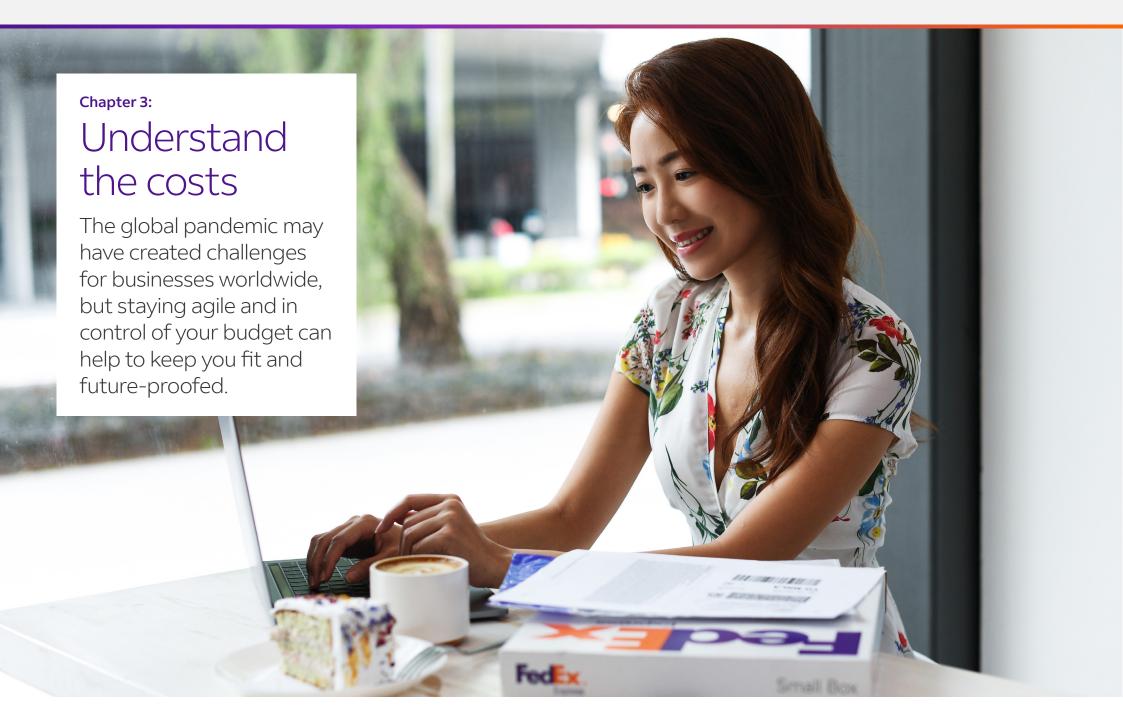
4 Case studies

NEXT LEVEL

Tech to take your store to new heights

As an e-commerce business, you're spoilt for choice when it comes to elevating your offering with clever technologies. Here are four examples.

- Data for personalised experiences: advances in AI mean you can better meet shoppers' needs for personalisation. This includes sending offers, recommendations and ads uniquely relevant to them.
- Augmented reality for a powerful immersive experience: AR has many uses for e-commerce stores, from virtual try-on experiences for clothing to ARaugmented livestreaming product launch events.
- Al-powered chatbots: these clever virtual assistants are ideal for keeping shoppers engaged, answering questions quickly and improving the overall customer experience.
- Localisation technology: using localisation software and multilingual plugins allow you to give shoppers the option of browsing your website in their own language.



E-commerce: what does it cost?

What you spend on running your online business depends on its size and your products, but here are some common costs you may want to factor in.



Website

Building a website incurs costs at the start, and then you may have ongoing maintenance costs for things like a domain name, web hosting, payment software, site design/build/maintenance. Your costs may also differ depending on whether you set up your own site, or sell products through an online marketplace.



Marketing

Once you've built your website, you can then look to attract customers across different channels. How much you spend depends on your budget, but most small businesses spend between 7% and 12% of their total revenue. (Go to Chapter 1 for more on your marketing strategy)



Storage

As your e-commerce business grows, so might your inventory. You may need more room to house your products, so factor in storage-related expenses such as rent, insurance, and the costs of continuing to store unsold inventory.



Shipping

These depend on where you're shipping and how fast it needs to be delivered. FedEx offers a range of service options to suit different timescales and needs – visit our Shipping Services page or more information and to get a personalised offer.



Returns

Consumers today expect a seamless – and free – returns policy.¹⁶ With any return, you'll incur a cost to restock the item or remove it from your store.



Insurance

A robust insurance policy comes at a cost, but it could protect you and your business from product damage or operational disasters.



Taxes

Company taxes can be complicated, especially as your business starts to scale. Consider hiring the expertise of an accountancy firm to manage your tax statements and returns for you.



Choosing your financial model

A financial model tracks your business's performance, helping you keep your goals on course and forecast future results. Here are two basic approaches you can try:

Top Down

Forecasting your future success by evaluating the market you're entering. Assessing your market size, analysing sales trends and estimating what share of this market is likely to buy from your business.

Bottom Up

Forecasting success by determining what you need to enter the market. Projections are based on various factors, including how many employees you require, operating expenses, and how many customers you need to be profitable.

OPINION

Taxes, duties and Incoterms explained



Duties and taxes are charges placed on an international shipment. You decide if you or the shopper pays when writing the Incoterms® – 'International Commercial Terms'.

Duties and taxes influence your business in three ways.

- **Financial:** if you are paying them, they can impact your profit margin and make your goods more expensive, which may slow your sales rate.¹⁷
- **Operational:** duties and taxes not paid promptly can cause a customs delay and slow delivery time.
- **Customer experience:** shoppers may decide not to go ahead with buying your goods when learning of additional costs.

If you choose to have shoppers paying the duties and taxes, make that clear early on in the buying journey and at checkout.

Joost Sarolea, Senior Product Manager for E-commerce, FedEx



4 ways you can get the most from your budget

As consumer needs grow and shift at speed, it can be tricky to stay on top of your costs. These ideas can help you maximise your budget to meet rising demand.

1 Ship cross-border

Cross-border shipping is when you hold all stock in your own country, rather than in warehouses in the different countries you ship to. This can reduce the cost of storing stock elsewhere, help you respond faster to orders, and make inventory management easier with stock, staff and infrastructure in one location.

By opting for faster shipping options rather than holding stock in different locations, you can also reduce delivery times. Discover fast, reliable shipping services from FedEx <u>here.</u>

2 Share shipping costs

Shipping costs can add up, especially when you have to factor in packaging, staff and import and export fees. To minimise the dent on your budget, consider asking online shoppers to pay for shipping on smaller volumes.

3 Get help with funding

You may want to explore government funding programmes within your region, specific to your industry. **Your Europe** is an online resource that shows you what grants, contracts and funding opportunities are available in your country.

4 Reduce your returns

You can't guarantee a product will be kept, but you can reduce the chances of a costly return, for example by offering extensive product details on your site to manage expectations, targeting marketing to ensure products end up in the right hands, and extending returns timeframes.

Ideas for boosting customer spend

Here are a few quick suggestions for encouraging purchasing at different touchpoints along the customer journey.

Highlight offers on-site

Make promotions clearly visible across your site, particularly on your homepage as this is essentially your shopfront.

Keep product pages updated

Ensure descriptions and images are up-to-date so there aren't any surprises, minimising returns.

Take advantage of social tools

Consider using tools such as **Shopify's Instafeed and UGC app**, which reduces the steps to checkout by letting shoppers buy directly from their social media feed.



Mapping the e-commerce customer journey*









Loyalty

Awareness

Actions

- Wants to make a purchase
- Searches online
- Reads reviews /sees ads
- Finds/clicks on your website

Key touchpoints

- · Ads/banners
- · Content marketing, e.g. blogs/social posts
- Social media (inc. YouTube)

Consideration

Actions

- Browses your site/ reads product reviews
- Checks delivery times/returns
- Investigates corporate responsibility values

Key touchpoints

- Home page/product pages
- Customer service live chat/chat bot
- Reviews page

Actions

- Places item in trolley
- Chooses shipping option
- · Pays for item and shipping
- Tracks item

Key touchpoints

- Registration page
- Checkout page
- Mobile/email notifications

Acquisition

Actions

- Receives item
- Feels satisfied with purchase/wants to return it
- Reads return instructions/engages with customer service

Key touchpoints

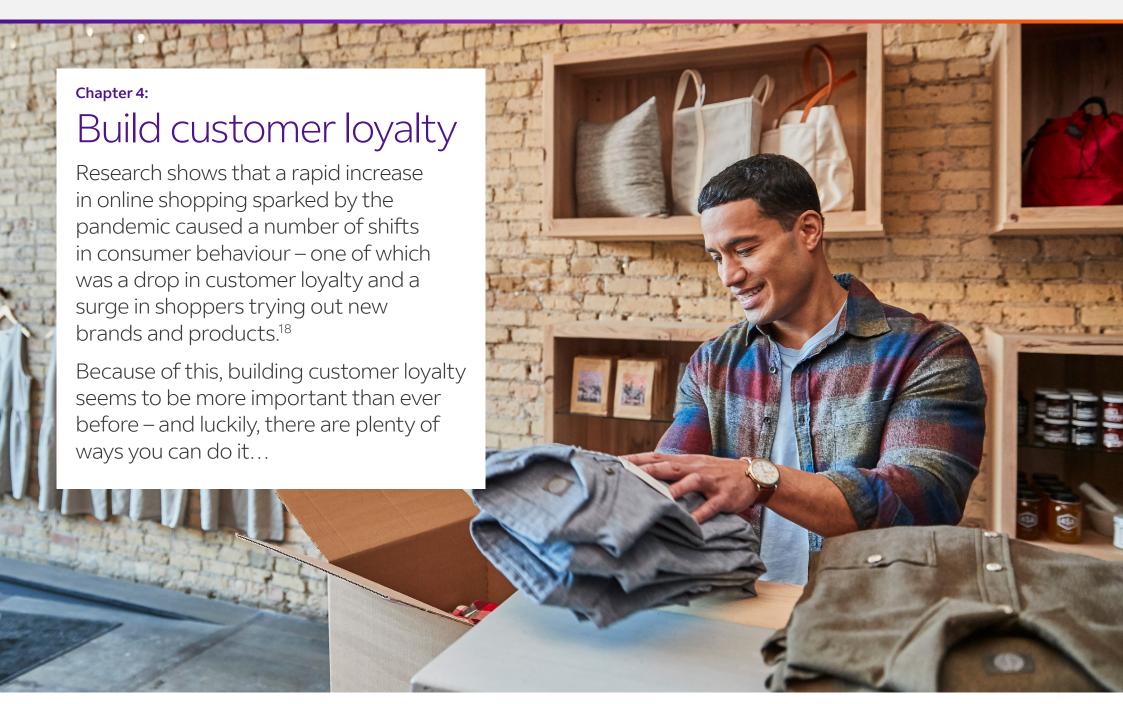
- Returns page
- Terms and Conditions page
- Customer service hotline/live chat/ chat bot

Actions

- Feels happy with item/ experience
- Tells peers/buys more of your products
- Signs up for newsletter/loyalty programme

Key touchpoints

- Newsletter
- Loyalty programme communications
- Re-marketing ads/ emails/messages





How can web analytics drive loyalty?

Website analytics can be powerful tools, highlighting existing patterns of consumer behaviour and helping you to boost loyalty by:

- Offering in-depth insights that enhance your understanding of each customer's individual needs so you can tailor offers
- **Integrating real-time purchase data** with historical data to make targeted recommendations at the point of sale
- Monitoring customer reactions with promotions and product recommendations

OPPORTUNITIES

Sustainability: a green light for success

Many of today's consumers have sustainability front of mind. In fact, one in three global consumers claims to have stopped buying from certain brands due to concerns relating to sustainability.¹⁹

Here are a few ways you can incorporate sustainability into your strategy to meet consumers' expectations:

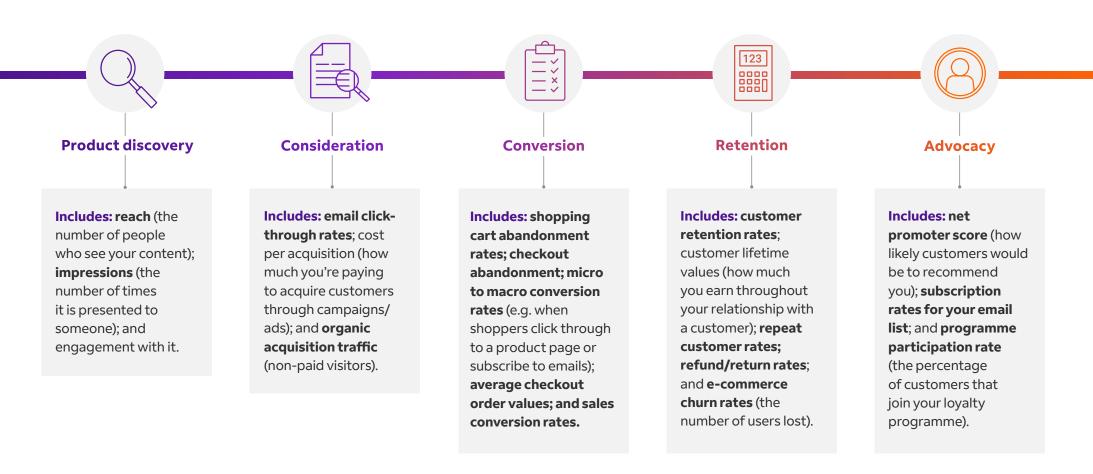
- Reselling your used/returned merchandise
- Looking out for sustainable and ethical suppliers
- Creating an offset service charge at checkout
- Helping out local communities and supporting good causes
- Sending products in reusable packaging FedEx Reusable Paks are 100% recyclable and have a dual seal to give customers greener options for their returns



sustainable future through our Priority Earth initiative.

Learn the metrics that matter

Metrics are great for measuring everything from conversion rate to cart abandonment and traffic sources. Here are some examples of key site metrics from BigCommerce for your e-commerce funnel – the journey your customer takes on the way to making a purchase, and beyond.²⁰



Ship with confidence

Using the right tools, solutions and services can give both you and your customers peace of mind. Here are a few other things you can do:

- Have a wide portfolio of shipping options: give shoppers both low-cost and high-speed options, and display these early on in their shopping journey (preferably on your home page).
- Customise deliveries: FedEx Delivery Manager®
 meets expectations for convenience because they
 can receive packages where and when it suits them
 at no extra cost.

For ideas on how to prepare a shipping strategy, go to Chapter 2.





4 ways you can retain new customers

The customer journey doesn't end at fulfilment. Engaging with shoppers after delivery can increase the chance of them choosing your business again, so keep them coming back with things like:

Email newsletters

Think strong subject lines and calls-to-action

Engaging social content

Remember to push your tone of voice for instant recognition

Investment in customer service

Fast and responsive is the way forward

Loyalty programmes

From rewards for referrals to first-time purchase discounts

OPINION

Give your last-mile deliveries the edge



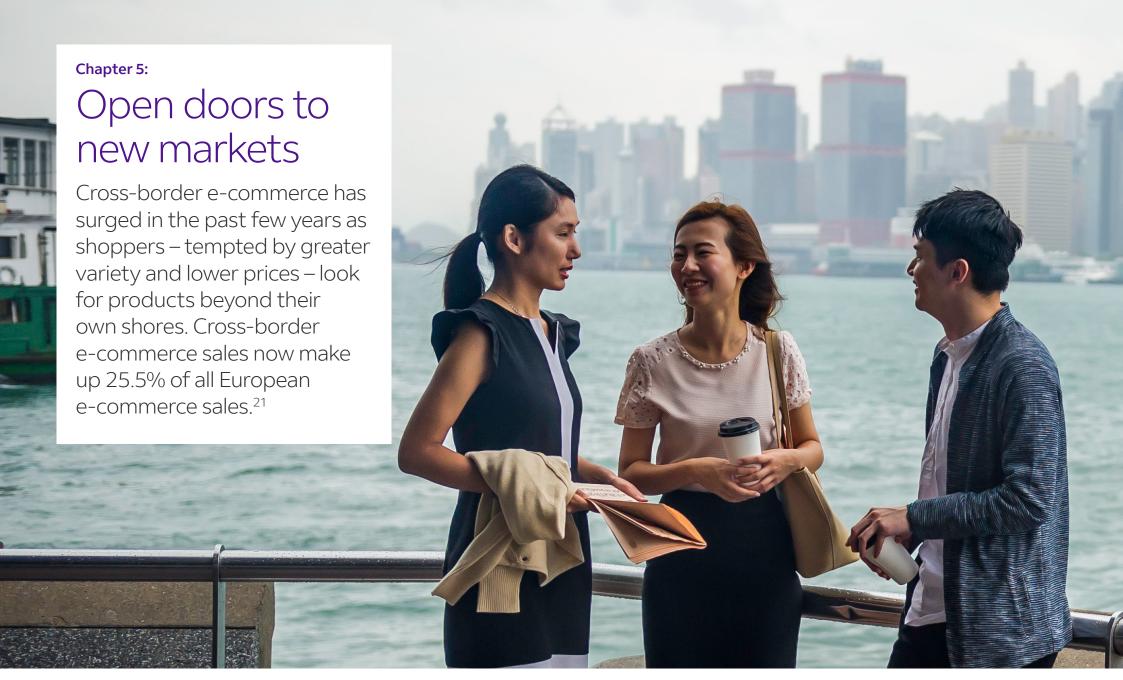
To offer your online shoppers a competitive delivery experience, first consider your product and the best way to deliver it. For instance, does it have specific needs (like temperature control)? Find out whether there are any regional or local delivery preferences.

Next, see what you can do to offer a seamless, hassle-free delivery process that matches your customer's schedule. This makes a first-time delivery more likely, which benefits the customer and the environment.

You can also give your deliveries an added layer of security by providing a choice of signature options – as well as offering flexibility, this gives shoppers greater peace of mind.

<u>FedEx Delivery Manager®</u> is central to our vision of providing more autonomy to customers and more sustainable deliveries. This solution offers an array of delivery options, including 'change delivery date' and 'deliver to a neighbour'.

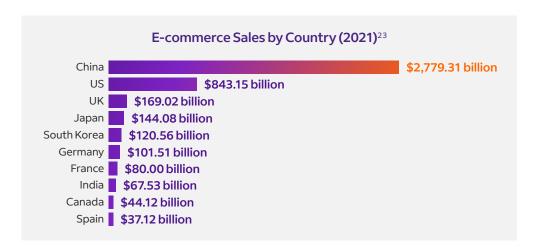
Akanksha Padhi, Senior Product Manager Marketing, FedEx



Uncovering international opportunities

Perhaps unsurprisingly, China holds the title of world's largest e-commerce market and boasts the most digital shoppers.²² Economists expect e-commerce sales to reach \$2.8 trillion in China by the end of this year.

Make the most of the opportunities in China and other thriving e-commerce markets with **our going global guides**, and see which other markets are experiencing high e-commerce sales in the graph below:



When it comes to identifying opportunities for your business, things you may want to consider include:

- Market potential and growth
- Where demand exists for your products
- Competitors and which countries they offer deliveries to
- Costs to ship to your preferred markets
- Global consumer needs/expectations

OPINION

ShippyPro's 'Get there now' tips



Top tip #1:

When breaking into a new market, try selling through marketplaces. Even if you already have a branded website, these channels have high level of consumer reach in many markets.

Top tip #2:

Don't underestimate the importance of the delivery experience in the customer journey. As a new market player, this could help to increase your brand reputation and boost customer retention.

Top tip #3:

When choosing logistics providers, consider their coverage, flexibility and the diversity of the delivery options they offer in relation to shoppers' expectations in your new market.

Lauriane Couturier, CMO, ShippyPro

4 ideas for making growth happen

- 1 Consider your mode of entry into each market: are you going to build, buy or partner with an already established business or online marketplace? Explore the pros and cons to the different routes.
- 2 Localise your site: shoppers prefer to browse in their own language and pay in their own currency. You can also research and implement each market's preferred payment options.
- Research your pricing: look at what competitors are charging for similar products in your target market and make sure you're not over or underpricing.



NEXT LEVEL

Digitise to optimise

Embracing the latest in logistics automation can simplify and streamline your international e-commerce operations. Here's how.

- Boosting efficiency and your customer experience: up-tothe-minute shipping tools connect the different parts of your business to dramatically improve flows.
- Easier preparation of international shipments: with tools such as FedEx International Shipping Assist, you can easily and accurately identify the Harmonised System (HS) code for your international shipment, estimate duties and taxes, and find templates for the necessary documentation.

Handy resources

Want to take your online business even further? Check out this list of additional resources and grow your knowledge.

Strategy

- Shopify: E-commerce Business Blueprint
- <u>BigCommerce</u>: <u>E-commerce</u> <u>Trends</u> <u>That</u> Are Powering Online Retail Forward

Money matters

- WooCommerce: Want more revenue?Improve users' checkout experience
- FedEx: 5 ways to grow your business's average basket value

Growth

- ShippyPro: How to Optimise
 Your Shipping Process Workflow
- Magento: How to Drive Outstanding Customer Experiences with Dynamic Pricing

Setting up shop

- ShippyPro: 10 e-commerce shipping best practices you need to know
- Google for Small Business: Build your online presence in just a few steps

Customer loyalty

- Your Complete Guide to WooCommerce Coupons
- ShippyPro: Cart Abandonment: how to fix it [Best Practices]
- FedEx: How to adopt sustainable packaging

Take your online business further

Don't forget to check out our **Small Business Hub**, where you can get actionable insights.

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- PrestaShop: Seven e-commerce web design advices to boost conversions

Growth

- ShippyPro: How to Optimise Your Shipping Process Workflow
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- Google for Small Business: Build your online presence in just a few steps

Customer loyalty

- Your Complete Guide to WooCommerce Coupons
- <u>PrestaShop: Web performance: why</u> it is so important and how to optimize it
- <u>ShippyPro: Cart Abandonment: how to</u> fix it [Best Practices]

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