



Digital Transformation: How eCommerce Can Transform Your Manufacturing Business



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The Transformation of Manufacturing through eCommerce Understanding eCommerce

eCommerce indicates a transformation of the **manufacturing industry** towards **digital-driven commerce** from **transactional commerce**. The shift in consumer behavior towards the digital channel is fueling manufacturing companies to look for smart solutions. These solutions allow them to follow a **customer-centric** approach.

Long gone are the days when manufacturers offered telephonic and email customer services. This strategy poses a risk of losing the customers' trust and loyalty as a huge chunk of the population is opting for digital channels.

eCommerce solutions enable manufacturers to support the **digital ecosystem**, which allows them to handle data, customers, and internal teams through a single platform. This offered better control over the elements and improved the overall management for them.

Manufacturing industries typically engage in both **B2B (business-to-business)** and **B2C (business-to-consumer)** ecommerce models. In **B2B** ecommerce, the manufacturers sell products to other businesses directly. They can sell products to wholesalers, manufacturers, and retailers. The B2C model allows manufacturers to sell their products to end-consumers directly through online stores and marketplaces.

Let us go through the difference between B2B and B2C ecommerce in detail.

Factor	B2B	B2C
Customers	B2B manufacturers sell their products and services to other businesses.	B2C manufacturer sells their products and services to consumers.
Customers Behavior	Businesses, retailers, and merchants order products in bulk quantities which leads to higher transactional values.	Consumers order the products they need so the order size is small. Moreover, the transactional value per sale is less.
Sales Cycle	The cycle to make the purchase can be long as several entities are involved in the whole process.	The sales cycle is short consumers need to decide whether they like the products or not.
Frequency of purchasing	The frequency is less as companies order less but in bulk orders.	The frequency is higher as consumers tend to purchase new items in the market.
Decision-making process	Businesses like to make large purchases so they rely on comprehensive product research which involves going through buyer guides, specs, blogs, and other elements.	B2C ecommerce focuses on attracting the attention of consumers and encouraging them to make one-time impulse purchases by targeting their key emotions.
Customer Relationship	B2B ecommerce focuses on building long-term relationships with their customers to get repeat business from them.	B2C ecommerce focuses on one-time transactions and relies on loyalty programs to promote repeat business from consumers.
Pricing	The pricing can be negotiated with the manufacturer according to the contract terms and volume of the order.	The pricing of the products and services is fixed with some occasional discounts and other promotional offers.
Payment Method	Multiple payment options include regular invoicing and credit terms.	There are direct payments for products through credit/debit cards, UPI, digital wallets, and other online payment methods.
Marketing Strategies	The manufacturers focus on targeted marketing that involves direct sales and industry events for long-term relationship building.	The manufacturer leverages the power of mass marketing, online platforms, and social media to promote the products and services.
Support	Manufacturers offer support systems that include agents, 24/7 chatbots, PAQ pages, community forums, product demos, and troubleshooting videos.	The simple and reliable support system includes chatbots, FAQs, and agents.

The Rise of eCommerce in Manufacturing

The **manufacturing industry** is growing with the changing consumer behavior and the advent of advanced technologies, AI, ML, Big Data, cloud, etc. **eCommerce** has become a necessity to survive and grow in the competitive manufacturing domain.

Consumers look for personalized product and service solutions that cater to their needs properly. There is a short lead time so manufacturers have to rely on **digital solutions** to meet the dynamic demands of the customers.

98% of the manufacturers are planning to deploy their ecommerce strategy.

The manufacturers create **online portals** to showcase their products to consumers and accept their orders. It allows the manufacturers to expand their reach to widen their customer base and supply chains.

Impact of Advanced Technology on Manufacturing Industry

Today, advanced technologies have revolutionized the **manufacturing process** by making it smarter and more responsive. Moreover, the **ecommerce** platforms come with integrated tools for real-time data analytics and insights. AI and ML further allow them to offer personalized **customer experience**.

Besides all this, **ecommerce** increases the overall agility and efficiency in the operation of **manufacturers**. The online smart solutions can streamline the whole process of taking the order to its completion. This further reduces the overhead costs and allows the business to make **data-driven decisions**.

The smart apps allow the retailers to connect and collaborate with suppliers easily which further improves the degree of **responsiveness** of the **supply chain**.

McKinsey
& Company

report shows that B2B buyers are making high-value online transactions where 71% of buyers are willing to spend more than \$50,000 in a single transaction and 27% are willing to spend \$500,000 or more in a single transaction.



eCommerce Business Models for Manufacturers

Direct-to-Consumer (D2C)

Under the D2C model, the manufacturers sell their products to the consumers directly. They create their own online portals and stores where customers can explore their products and order them. This model allows manufacturers to bypass traditional intermediaries and stay in direct contact with the consumer.

Business-to-Business (B2B)

In the B2B ecommerce model, the manufacturers sell products in high volumes to other businesses. The buyers are generally resellers of the products like wholesalers, retailers, and other manufacturers. Manufacturers can opt for specialized B2B platforms to target their key customers and manage everything properly.

Benefits of B2B Model

- The manufacturer can enjoy higher revenue with high-volume orders and fewer transactions. Other businesses tend to make large purchases from **B2B companies**.
- Companies and manufacturers like to stick with one **B2B partner** for repeat business in the long run so manufacturers can enjoy long-term contracts.

The manufacturers have to deal with complex sales processes and there are multiple decision-makers in the entire cycle. They have to offer custom pricing according to the specific order of the customer.

Marketplace Platforms

The manufacturers leverage the power of **third-party ecommerce** marketplaces like eBay, Amazon, etc., and list their products on their websites to reach customers. They can opt for industry-specific platforms to reach their **target audience**.

- Manufacturers enjoy a wide reach using this ecommerce model. They can offer their products to various customers.
- The initial investment to enter the market through this model is less as there is no need to develop and maintain a standalone online store. So, it is a cost-effective way for businesses to enter the ecommerce domain.
- The marketplaces handle several aspects of sales like payment, customer service, logistics, etc., which reduce the stress on the manufacturers.

There is high competition from other manufacturers and third-party sellers in the same marketplace. Manufacturers have to pay the marketplace fee which can impact the overall profits. On top of this, there is less control over customer experience as compared to the **D2C model**.



The Benefits and Challenges of eCommerce for Manufacturing Companies

Benefits of eCommerce for Manufacturers

Expanding Market Reach

The main advantage of **ecommerce** to manufacturers is that they can expand their market reach exponentially. They can access global customers by transcending geographical limitations.

Imagine your products being available **24/7** to a vast audience through the right **ecommerce platform**. You will be able to scale your business to new heights and expand your reach to new **global markets**.

The **digital marketplace** is booming, and your potential for growth is limitless. So, don't let your competitors reap the benefits while you're left behind.



According to Statista's report, retail ecommerce sales have reached 5.8 trillion US dollars by 2023 and are expected to reach 8 trillion US dollars by 2027.

Data-Driven Decision Making

eCommerce solutions allow manufacturers to analyze previous consumer data to get valuable insights. This further impacts the final decision-making process. You can analyze the key data to find the target audience and check what products are they searching for on the internet. Identify new trends in the industry and make proper **data-driven decisions** on new product lines, brand development, and pricing.

These insights will help you to adjust the marketing strategies, promote the right products, and increase the overall sales to reap better profit for your brand.

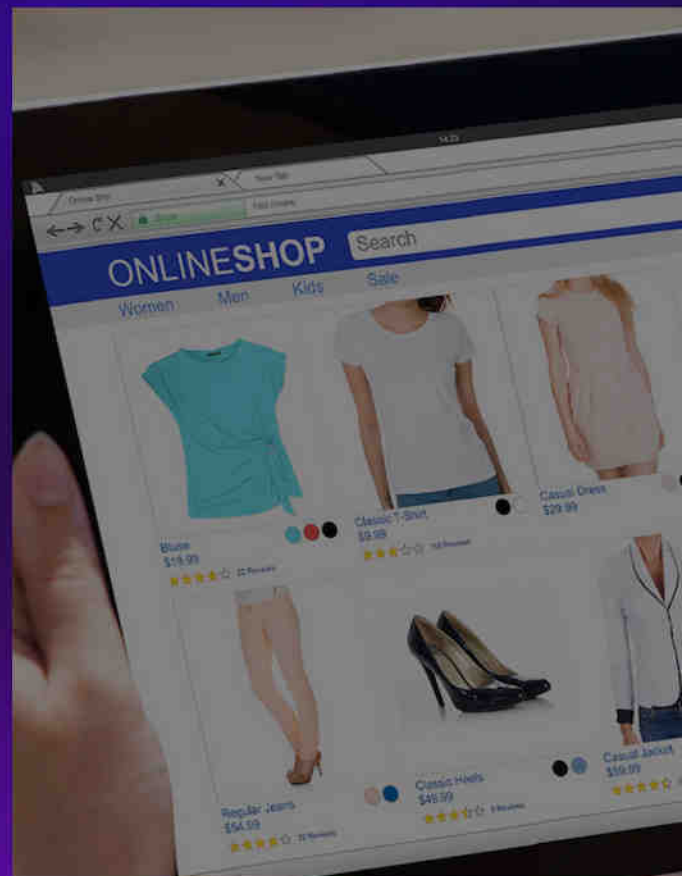
Challenges Faced by Manufacturers in eCommerce

Complex Product Catalogs

A complex and undefined **product catalog** is one of the top challenges in the ecommerce world for manufacturers. There are several variations, specifications, and customization of the products. Maintaining accuracy and consistency with all the product information for the manufacturers is difficult.

The high complexity leads to errors and inconsistencies which further affect the customer experience and overall sales for the **manufacturers**.

You can invest in a solid product information management tool that will centralize all the data and keep it consistent across all channels. Manage diverse catalogs easily for your brand which will enhance your **customer experience**.



Streamlined Operations

eCommerce helps the manufacturers to streamline their operations which reduces the overall complexity and increases the efficiency. With automated order processing, proper inventory management, and integrated customer services, ecommerce platforms can increase productivity and reduce the overall costs for the manufacturers.

38% of manufacturers have experienced an increase in the efficiency of the operation of their brand with the power of ecommerce.

You have to understand that your competitors are already making the most of ecommerce. You can use ecommerce to eliminate errors, boost efficiency, and deliver unmatched customer satisfaction.

Enhanced Customer Experience

Another top benefit of ecommerce for manufacturers is that they can offer a better **customer experience**. You can send your product catalogs to your customers but they will not look at all the pages to explore all your products. With an organized and **structured ecommerce website** of your brand, customers can explore the products easily and even search for specific options quickly. You can leverage this opportunity by showing them the products based on their search history and other relevant data like company domain, size, etc.

You can even show some options that customers with similar needs or profiles have purchased. This strategy will simplify the purchasing experience for the customers and you will get the opportunity to **cross-sell** and **upsell** the products of your brand.

Besides all this, the ecommerce platform will allow your customers to customize the products. They can choose the correct size, color, quantity, etc., quickly without any external help. This helps in increase the convenience level of the customers which will further improve their overall purchasing experience.

Integrating With Existing Systems

The legacy system with any ecommerce integration support offers a major challenge for the manufacturers. The improper connection of ecommerce solutions with the existing system hinders real-time data sharing which reduces overall efficiency.

Manufacturers can opt for proper **APIs** to connect and integrate the existing **ERPs and CRMs** with ecommerce solutions.

APIs will facilitate easy and seamless integration of the systems which will allow the manufacturers to enjoy streamlined operations with synchronized data. This leads to higher efficiency of operations and improved **decision-making processes**.

Logistics



Supply Chain Management

Logistics And Supply Chain Management

Managing inventory, the overall movement of goods, handling customer returns, and timely delivery of the products are some key factors that manufacturers need to sort when entering the ecommerce domain. Any inefficiency in these areas can lead to higher costs, resource wastage, and customer dissatisfaction for the manufacturers.

They can opt for **smart supply chain management** with proper ecommerce integration capabilities that help them optimize these factors. With proper solutions, they can manage everything under one hood which will lead to higher accuracy and improved delivery speed.

Manufacturers will be able to use these solutions to **meet customer demands** and gain an edge over their competitors in the market.





Marketing Your eCommerce Platform

Once you are all set to reach your target audience, it is time to strategize your marketing activities. We cannot stress enough how important it is to market your ecommerce platform. From creating **brand awareness** to **driving traffic** and conversions, this crucial step will bring more customers to your site.

Key Features to Look for While Choosing the Right eCommerce Platform

Picking the right platform is crucial to tap into amazing ecommerce success.

Hosting environment

Since many ecommerce platforms offer hosting, manufacturers may consider a platform that offers high performance and security. Their advanced protection from cyber threats and security risks is quite necessary for manufacturers. Unlike this, self-hosting imparts more control and customized features to the site.



High-end Safety

Prevention from **cyber threats** and data loss is a top parameter when selecting an ecommerce platform. Since ecommerce hinges on secure data and safe online **payment gateways**, keep an eye on the following parameters before selecting the right platform.

- Encryption Standards
- PCI DSS Compliance
- Fraud Detection
- Tokenization
- 3D Security

The payment process should be **swift and seamless globally**. It's better to add dependable payment methods that everyone can feel comfortable with.



POS (Point-of-Sale) System

A perfect ecommerce platform integrates both **offline** and **online sales channels**. This helps with managing transactions conveniently. Check if the platform offers its own physical **PPS system** or if you need a **third-party device**.

Hassle-free Inventory and Shipping Management

Choose a platform that has a proven track of effective management of suppliers, stock levels, and robust shipping. Manufacturers must be able to integrate courier services into the platform and handle returns with the same ease.

Relentless Support

The ecommerce platform with the highest level of customer support is the right one. Manufacturers should opt for the platforms offering **24/7 multi-channel** support including email, phone, or live chat.

Platform	Benefits To Manufacturing Business	Drawbacks	Special Features	Integrated Sales Channels	SEO Features	Best For	Mobile App Features	Point-of-Sale	Pricing
Shopify	Easy to set up, scalable, extensive app ecosystem	Transaction fees unless using Shopify Payments	24/7 support, abandoned cart recovery, extensive app store	Amazon, eBay, Facebook, Instagram, Pinterest, Google, Walmart Marketplace	Strong SEO tools	Best For Small to medium businesses	Manage store, track sales, process orders	Built-in POS	Check Price
Big Commerce	No transaction fees, highly scalable, comprehensive features	High learning curve, pricier for small businesses	Built-in features for B2B, abandoned cart recovery, no transaction fees	Amazon, eBay, Facebook, Instagram, Pinterest, Google, Walmart Marketplace	Strong SEO tools	Growing businesses, large catalogs	Manage store, process orders, track performance	Limited POS integration	Check Price
Adobe Commerce (Previously Magento)	Highly customizable, robust, scalable	Complex setup requires technical expertise	Extensive customization, multi-store management, advanced reporting	Amazon, eBay, Facebook, Instagram, Pinterest, Google	Strong SEO capabilities	Large enterprises	Manage store, process orders, track performance	Requires third-party integration	Check Price
Woo Commerce (WordPress)	Flexible, integrates with WordPress, extensive plugins	Requires hosting, can be complex to set up	Highly customizable, vast plugin ecosystem, open-sourced	Amazon, Facebook, Instagram, Pinterest, Google	Strong SEO with plugins	Small to large business	Manage store, process orders, track inventory	Requires third-party integration	Free
Squarespace	Beautiful design templates, easy to use	Limited eCommerce features, less scalable	Built-in marketing tools, high-quality templates	Amazon, Facebook, Instagram, Pinterest, Google	Good SEO tools	Small to medium business	Manage store, process orders, track inventory	Limited POS integrations with Square	Check Price
Big Cartel	Simple setup, affordable, great for artists	Limited features, not scalable for large businesses	Easy to use, geared toward artists and creators	Facebook, Instagram, Pinterest, Google	Basic SEO tools	Artists, small stores	Manage store, process orders	No built-in POS	Check Price
OpenCart	Highly customizable free, and supports multiple languages	Requires technical knowledge, limited support	Multi-store management, extensive plugins	Amazon, eBay, Facebook, Instagram, Pinterest, Google	Strong SEO capabilities	Developers, tech-savvy users	Manage store, process orders, track performance	Requires third-party integration	Free
Wix	Intuitive design, all-in-one platform	Limited scalability for large stores, basic eCommerce features	Drag-and-drop builder, built-in marketing tools, Wix ADI	Amazon, Facebook, Instagram, Pinterest, Google	Strong SEO tools	Small businesses, personal sites	Manage store, process orders, track inventory	Basic POS with Square integration	Check Price

Case studies of successful implementations

1. Glossier's rise from a beauty blog to a billion-dollar brand

When **Emily Weiss** began community-driven beauty conversations in '**Into the Gloss**', the Glossies team leveraged social media to engage directly with customers. Their success was a result of a proper mix of relevant strategies.

The **Glossies** team focused on customer involvement in product creation by leveraging the power of Instagram and their blog, Into the Gloss.

They created an intuitive website with easy navigation to allow their customers to explore their products, offering relevant product recommendations to drive more sales.

They kept on improving their content strategy by analyzing the **customer feedback**, which allowed them to make deep connections with their target audience. Besides this, they maintained a similar brand identity across all the touchpoints so that customers could resonate with their brand and attract more **traffic**.

They created a unique design revolving around their iconic millennial pink color to stand apart from the competitors in the market and offer a lasting impression on the minds of their customers.

2. Alo Yoga's "studio-to-street" positioning helped them Scale To \$247 Million

Alo Yoga began its operations in Los Angeles as an athleisure brand in 2007. They positioned their clothing products as suitable for both yoga and everyday activities, a unique approach that has helped them gain numerous **celebrity endorsements** and build a strong **brand identity**.

They created a well-designed website that focuses on **personalized product suggestions** and **location-based** recommendations. The brand leveraged the power of influencer marketing to enhance its brand visibility. Their "**Pro Program**" boasts more than 4,000 yoga professionals who actively promote the brand. The company shares authentic photos of its customers on social media to enhance customer trust and drive more traffic to its **brand**.

Manufacturers can witness an improvement in their search engine visibility and **CTR (click-through rates)**. Conducting a site audit and ensuring a good linking strategy can help in better site navigation and enhance the overall user experience.

Pay-per-click (PPC) advertising

Data-driven PPC advertising works for **both small and large manufacturing businesses** to pull website traffic and reach potential customers directly. It is a flexible and scalable option that relies on compelling ads and adjusted campaigns to reach the target audience with more chances of conversions.

Manufacturers can quickly bid on the product or **niche-related** keywords. This allows your leads to search different keywords on websites and search engine results to view the ads from the **highest bidders**.

Social media marketing

Different social media platforms like Facebook, Instagram, and YouTube provide visual mediums to showcase all products. Manufacturers can leverage social commerce features like Instagram Shopping, influencer marketing, and social ads to **boost brand visibility** and **drive more sales**.

Moreover, following a social media content posting schedule and hashtag strategy can do wonders to reach your growth milestones in no time.

2. Content Marketing and Branding

If digital marketing is the brain of ecommerce, content marketing is definitely the heart. **84% of B2B** marketers rely on content marketing for more **brand awareness and sales**.

Content is the key that connects with your target audience's heart and builds your **brand authority**.

Creating valuable content for your audience

From blogs, white papers, and e-books to social media content, manufacturers should create relevant content that resonates with their audience.

As per the Forbes survey, 59% of B2C marketers opt for high-quality content for more brand visibility and better SEO.

Ensure that the content quality is extremely high which attracts, engages, and educates your audience. Ultimately, this helps to increase sales and boost the **brand's** reputation manifold.

Building a strong brand presence online

Manufacturers should ensure building a rock-solid brand presence online empowered by **UGC (User-Generated Content)**. This builds authentic engagement as customers share their positive experiences with the products. This social proof strategy is quite convincing as new customers see real people enjoying the products which pushes them to trust the brand and make a purchase. Running online contests and incentives for loyal customers can also help in building a **loyal community online**.

Using video and multimedia content

With **social media** booming with reels and **live video content**, consumers prefer watching videos over other content forms. Manufacturers must create short-form and long-form video content sharing the **brand's story, products**, and **behind-the-scenes shots**.

Video and multimedia content creation is all about engaging the audience with the brand but it should also branch out towards creating valuable how-to guides that create a deeper customer connection and drive conversions.

3. Sales and Promotions

Since the end goal is more sales, it is crucial to implement tactics that drive more sales and promotions.

Creating effective sales campaigns

Manufacturers should learn to invest in **creative marketers** who think outside the box to plan strategic sales campaigns all year. From seasonal to special holiday sales, the campaigns should pique customer interest and bring in more sales. Ensure you use compelling copy and optimized images to attract more customers and yield the best **ROI**. Remember the visual ads should have a clear focal point and the right composition to gain attention.

Utilizing Discounts and Promotions

Use **SMS** and **notification marketing** techniques to notify about upcoming discount details can help in making quick sales. Manufacturers can also use personalized communication to share promotional details.

Nowadays, **cross-sell** and **upsell techniques** are encouraging customers to buy related products simultaneously. This increases the average order value and helps in selling more items at one point.

Leveraging email marketing

Be it **content-rich** newsletters or promotional emails, email marketing can prove fruitful for offering exclusive deals to your potential customers. Start with a catchy subject line, stunning imagery, and persuasive language with a clear **CTA (call-to-action)** to help them visit your site and buy products. For best results, make it your first priority to personalize the emails for every customer.

Manufacturers can use **advanced personalization techniques** to analyze the given data and predict future interests and needs. Even segmenting the email list and tailored messages can enhance the subscribers' experience and encourage **brand loyalty**.

Conclusion

eCommerce offers a vast potential for manufacturers to grow and take the brand to the next level. By adopting a **robust ecommerce strategy**, manufacturers can streamline operations, enhance customer engagement, and boost sales. This shift will meet the evolving demands of modern consumers and position your **businesses** for **long-term success** in a competitive landscape.

This eBook explains the major **benefits and challenges** of the **ecommerce** arena for **manufacturers**. You'll also get valuable tips to build a solid strategy with the proper steps to enter the **ecommerce world**.

Remember, opting for the right ecommerce development partner is essential at every step. **Klizer is a leading Enterprise eCommerce Solution expert** in ecommerce website design and development. The company has over 18 years of experience in the domain. Their team has expertise, experience, and a fresh perspective, ensuring each phase of your ecommerce project is executed effectively. They focus on delivering high-quality, custom-centric solutions that are backed by the latest features to offer seamless customer experience.

The team of experts at **Klizer** will help you navigate challenges, avoid common pitfalls, and achieve your business goals with a **well-rounded ecommerce strategy**. Besides this, their support extends over the initial deployment phase of the ecommerce solution. They offer regular maintenance and continuous support so that you don't face any issues with the solution in real-time.

Partner with **Klizer** today to unlock the potential of **ecommerce** for your **manufacturing brand**. Get in touch with them to get all the details on their **reliable and secure services**.

Resources

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