

Why an Integrated E-commerce Strategy is Critical to Your Business Relationships



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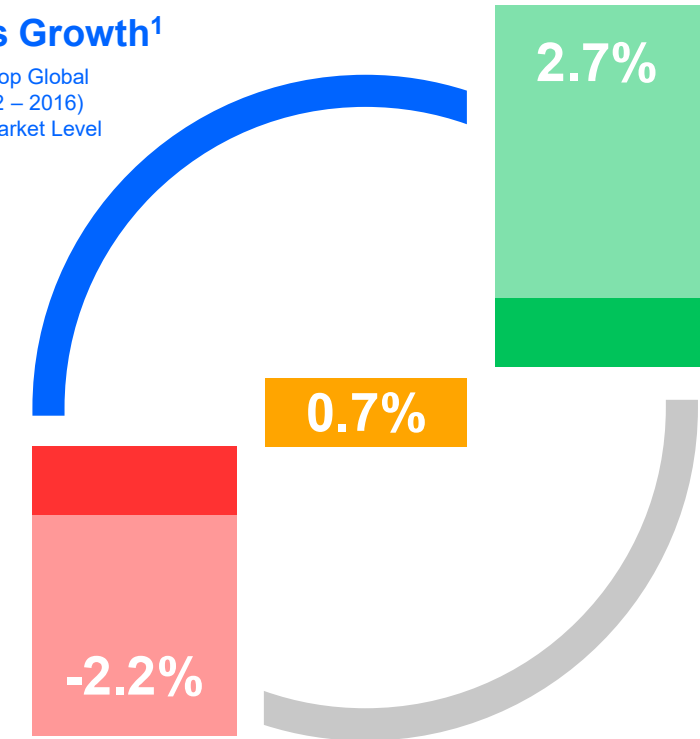
Advantage Report™ is a leading indicator of sales growth. Suppliers who utilize Advantage Report experience an increase of 4.9% sales growth¹ in the following year.

Advantage Score	Percentile	Score Range
Upper Quartile Performance (25%)	75 th - 100 th	26+
Mid-Range Performance (50%)	25 th - 75 th	13 – 26
Lower Quartile Performance (25%)	0 - 25 th	<13

 **4.9%**

Increased Sales Growth¹

Core Benchmark Set: 54 Top Global Suppliers over 5 years (2012 – 2016)
in Overall Performance at Market Level



Advantage Markets: North America, Central America, South America, Europe, Middle East & Africa, Asia / Pacific

¹Based on Annual Gross Revenues in US Dollars



As consumers become more demanding and tech savvy, the importance for delivering an integrated e-commerce strategy is critical to your Customers as they compete to win and sustain consumer loyalty across their brick and mortar and online portals.

Where your strategic approach is not aligned to your Customers' needs for digital capability and unified messaging to the consumer, this will critically impact your business relationships and prohibit new opportunities for growth in a highly competitive marketplace. Barriers tend to exist when transparency and collaboration are not a key focus between business partners and across their organizations.

Advantage can provide your teams with the guidance needed to navigate today's dynamic and fast moving industry landscape. Here's how...

Examples of: **Having an Integrated E-commerce Strategy** According to Customers:



A Best In Class Company...

“ **Demonstrates an omnichannel or 360° approach through integration of digital and traditional marketing venues to reach consumers.** A company that is best in class for their integrated e-commerce strategy ties everything together. Their message is the same, whether it is online or in-store POS. Whether you see it on their website, ours, or via social media, they come with the same message. It is not a bunch of messages jumbled together based on the consumers. There is one message to push to the customer what they are trying to say. ”

“ **Is a thought leader in e-commerce and proactively embraces and focuses on it.** A company that is best in class for their integrated e-commerce strategy is a company that is not afraid of digital. A lot of companies are afraid of digital. Best-in-class companies recognize that it is a huge opportunity, so they embrace it. They have marketing dollars targeted toward digital. A lot of suppliers will not have marketing dollars towards digital... ”

“ **Supports Customer e-commerce strategy and partners with them on e-commerce initiatives.** What makes a company best in class for having an integrated e-commerce strategy is when they support that piece with an overwhelming number of offers and opportunities to see their product in our digital couponing and our social and our e-fly sheets. They are best in class mostly because they participate with such a large number of items. ”



Customers identify the following **positive behaviours** demonstrated by Best in Class Suppliers who deliver an Integrated E-commerce Strategy.

These behaviours are highly influenced by Support for Shopper Marketing, a key driver in linking your products and your Customer with the end consumer.

Best In Class Suppliers...



Examples of: **Not Having an Integrated E-commerce Strategy** According to Customers:



A Poor Performing Company...

“ **Lacks integration with bricks & mortar.** We would like them to come up with a holistic e-commerce strategy and execute on that. They could come up with JBP's, growth targets, and building blocks on how to get there. Pretty much what they would do on the store side is what we would like them to do for e-commerce as well. They need to make sure everything is online and available for purchase, which involves having enough inventory. ”

“ **Lack of engagement or focus on digital; lags behind competition.** They need to engage in our e-commerce side more than they currently are. They may need to dedicate a person to that or just increase their involvement in that side of the business. They are behind in this area. They need more engagement in this area. ”

“ **Lack of participation and support of our e-commerce initiatives.** They are one of the worst at supporting our e-commerce strategy. We do a lot of business with the largest online retailer and we do a lot of digital within our own realm. Their category is something that is really bought online, and they do not really come to say they want to put this information on social media about their new line or they want to do some digital coupons. Category buyers already do much buying online, so doing something digital will not be crazy. They are just not bringing a lot to the table... ”



If your Customers see you as lagging behind your competitors in providing an Integrated E-commerce Strategy, it is highly likely that you are demonstrating behaviours that are **negatively impacting** their perception of your performance in this area.

Customers identify the following **behaviours to avoid** which will help you understand where to improve. Reference these behaviours as a guide for what 'not' to do in your business relationship.

Poor Performing Suppliers...

- | | | |
|--|--|--|
| ◇ Have a disjointed effort between e-commerce and bricks & mortar | ◆ Do not leverage social media or participate in our social media platform | ◇ Do not include us in their digital programs or initiatives |
| ◆ Lack internal collaboration or integration between parties responsible for bricks & mortar and those responsible for digital | ◇ Do not adapt their strategy to meet our needs; brings products that do not work for us | ◆ Lack the appropriate number of skilled people resources dedicated to e-commerce |
| ◇ Do not help us differentiate; provide only 'standard'/global programs | ◆ Do not tailor offerings for e-commerce | ◇ Provide inaccurate, inconsistent or untimely digital content |
| ◆ Are not proactive in e-commerce; lack of strategy, engagement and/or investment | ◇ Are not forward thinking in the digital space; do not have an effective planning process | ◆ Do not provide data and insights on current trends in e-commerce or digital |
| ◇ Do not support or participate in our e-commerce initiatives | ◆ Are not transparent with their e-commerce strategy | ◇ Have searchability issues making it difficult for consumers to shop online |
| | | ◆ Are not innovative and creative; do the same old thing and are unwilling to try new things |

The following **6 positive behaviours** support **having an Integrated E-commerce Strategy**. Critical to this is **Support for Shopper Marketing**. When effectively applied, these behaviours may help improve your **business relationships** and commercial outcomes.



1) Demonstrates an Omni channel/360°/integrated approach

Why is this critical? Best in class Suppliers use both traditional and digital marketing methods to reach consumers. Their approach includes a strong communications plan which drives a consistent message and product offerings to the consumer wherever they choose to browse and shop. A focused and integrated approach provides a means for partnership in a space where dynamic and tech savvy consumers are only one click away from a purchase.

“A company that is best in class for an integrated e-commerce strategy **has a separate e-commerce plan but is also consistent with the message and the offers**. If they are doing something in an ad, that should be consistent online. There should be a consistent message.”



“A company that is best in class in support for shopper marketing would have a **360 marketing plan in place for new products and innovative products, whether that is social media, displays that are available for in-store, or commercials**. Also, they are driving it from all different avenues.”

2) Is a digital thought leader; forward thinking, creative & innovative; looks ahead at trends; willing to try new things

Why is this critical? The digital landscape continues to evolve and advances quickly. This requires being proactive in staying ahead of the trends and where the market is going in the future. It means bringing creative solutions to keep up with competitors as they jockey for more share in an omnichannel environment. Being a thought leader with a willingness to experiment will help make you an invaluable partner and will incent co-creation and new opportunity.

“What makes best-in-class companies for integrated e-commerce for us is that they are proactive. They have people on their team that do nothing but look after e-commerce, which is very important to us. **They are forward thinking; they know what the web is going to bring for them.”**



“A company that is best in class for support for shopper marketing stands out by **being innovative, being creative, trying to stay up on all the trends and the communication avenues that are out there.** There are so many. They try to touch on at least as many as possible with the changing demographics that we have, that we are all facing right now. They are just as innovative and as flexible as possible.”

3) Supports our digital strategy; participates/invests in our digital programs

Why is this critical? Having an integrated e-commerce strategy with an emphasis on digital is important. But, to be a stand out with your Customers, there is an expectation that you participate and invest in Customer platforms and programs to leverage their data and enhance their offerings. This demonstrates your desire to partner to grow your collective businesses in the omnichannel space.

"From an e-commerce perspective, they are probably one of the best. They come to the table with the plan. **They try to leverage all of our online metrics and keys that they can,** starting from our data system to our loyalty programs and our click-and-collect website. **They come to the table asking what else they can do."**



"What makes a company stand out as best in class for integrated e-commerce strategy is, **they have learned how to tie into all the extra opportunities our company has as far as advertising with Facebook, Twitter, and all the electronic options.** They have figured out and **consistently tap into those opportunities that a lot of other manufacturers do not."**

4) Leverages social media effectively

Why is this critical? Effective use of social media is the life blood of the e-commerce space. Marketing across various social media platforms, integration with traditional forms of advertising, retail websites and apps all provide a pipeline of information to the consumer. The more accurate and harmonized these vehicles are, the stronger their ability to draw the consumer in for a visit and bring them back the next time as you and your Customer race to gain share of market and bolster the online shopping cart.

“Companies that support shopper marketing invest in marketing. They are also the companies that are up to date in marketing.

Everything is happening on social media.

Today's marketing is not like it was before; it has changed. For us, the companies that do it well are companies for whom the marketing is an integral part of their business strategy... **They invest in social media, virtual or with signage and mass marketing.** They are companies that invest, and that have a good marketing budget.”

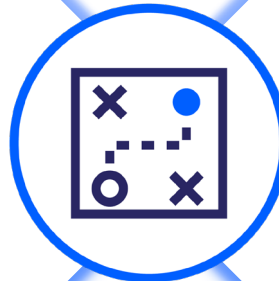


“A company that is best in class for integrated e-commerce strategy is proactive and **gets engaged on the social media side of our business.** They try to **integrate within our website and within our app and throughout their own apps and websites.** At this point, the ones that are embracing this change and championing it from the start instead of being reactive are best in class.”

5) Helps us differentiate by adapting their strategy to meet our digital needs

Why is this critical? Your Customers have the same need to differentiate themselves from competition as you do. An expectation of the best partners is that they not only adapt to meet the strategic requirements of their Customers but even integrate their digital strategies so they operate as one. They also bring unique and customized offerings that set them apart from other retailers. Adjusting and responding to a Customer's strategy will go along way in building trust and partnership with your Customers.

"The best in class are essentially **integrating their e-commerce strategy as a company with our e-commerce strategy as a company, and the two are almost indistinguishable online...**"



"A company that is best in class for support for shopper marketing is engaged in all aspects of digital and social marketing. They get involved in everything we are trying to do, and **they bring us solutions that are different and unique to everyone else.**"

6) Provides us with relevant and actionable data, insights and digital solutions

Why is this critical? Insights and solutions that are relevant and actionable are requisite to understanding the retailer landscape in an omnichannel world and to advancing Customer capabilities and growth in digital. Whenever you can provide insights that are specific to a Customer needs and that reflect a forward looking perspective in this fast paced environment, the discussion will be elevated. Sound research, data and recommendations will also enable you to demonstrate leadership and earn respect as an innovator as you and your Customer work to fully integrate e-commerce into your business plans.

“Companies that are best in class for having an integrated e-commerce strategy have the right people in the room at every single meeting.

They have people who can bring the insights on the front side. They look at digital as a way to unlock additional resources that may be separate from either brand or shopper marketing programs. **They are at the forefront of bringing insights to help us advance our digital and Omnichannel capabilities as a retailer.”**



“...They are a step ahead of everyone else in looking at the digital space and what our company can do to partner to deliver the best guest experience. As an example, **they recently did a deep dive study into the consumers that are shopping our categories digitally and came with great insights into who is the guest, what they are looking for, and what some of the barriers are that they encounter as they navigate our site.** We were able to come together with some solutions and opportunities that we could work with together internally with our company and with their company to try to improve the overall experience. We were able to gain a better understanding of how the guest that is pointing and clicking on their mobile or desktop computer differs from the guest that shops directly in our store.”

It is recommended that you closely evaluate how you are perceived by your Customers. They will appreciate and reciprocate your willingness to improve the weak points in your business relationship.

In combination with your Advantage Report™ feedback, you will find **the following checklists** insightful in improving how your Customers view your ability to deliver an Integrated E-commerce Strategy and Support for Shopper Marketing.



There Are Always Opportunities To Improve.

1. Your Checklist for: Integrated E-commerce Strategy

- ☐ Do you have an e-commerce strategy or plan? Are you actively engaged and invested in digital?
- ☐ Are you considered a leader in e-commerce and ahead of your competitors in leveraging and taking advantage of it?
- ☐ Are you managing your business in a 360°, Omni channel way with a consistent, seamless approach between your bricks & mortar and your digital businesses?
- ☐ Do you effectively leverage social media avenues to communicate with consumers, engage them and educate them on your product offerings?
- ☐ Are you participating/investing in your customers' digital initiatives and taking advantage of opportunities they provide you in this space?
- ☐ Are you helping your customers to differentiate by adapting your strategy, or aligning with theirs, to meet their digital needs?
- ☐ Are you willing to partner with your customers to experiment in the digital space, e.g. 'test and learn' on social media?
- ☐ Do you do research on digital and provide relevant data and insights to your customers to help them advance in this area?
- ☐ Do you have the appropriate number of resources with digital expertise working on the digital business?
- ☐ Is the digital data content that you provide accurate and on time?

2. Your Checklist for: Support for Shopper Marketing

- ☐ Do you have a 360° marketing plan and effectively utilize both traditional marketing, e.g., television, as well as digital approaches to reach and engage consumers?
- ☐ Are you supporting your customers' digital initiatives and investing in their platforms?
- ☐ Are you taking advantage of opportunities customers provide you in this space including digital coupons, email blasts and their loyalty programs?
- ☐ Are you effectively leveraging social media to promote your products?
- ☐ Are you allocating your dollar investments wisely and appropriately across traditional and digital marketing?
- ☐ Are you actively looking for newer and more creative ways to go to market, engage consumers and enhance their shopping experience?
- ☐ Are you open and flexible, willing to not just keep doing the same old thing, but to try new things in the digital area?
- ☐ Are you providing your customers insights on current trends and changing demographics?
- ☐ Are you forward thinking and planning in advance, i.e., looking years out and staying ahead of the trends?
- ☐ Do you provide your customers with unique digital offerings, tailored to their business needs that enable them to differentiate themselves from competition?

Want to Know What your Customers think About your Business on This Practice?

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