

ARCHERPOINT

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# Top 10 Challenges Faced by eTailers

and the *solutions* to overcome them

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## Welcome to the Big League

The eCommerce market is *huge*. Global eCommerce sales reached around \$5.8 trillion in 2023 and are expected to surpass \$8 trillion by 2027<sup>1</sup>.

In the US, the Department of Commerce estimates that online retail accounted for \$1.1 trillion in 2023, representing 15% of total retail sales that year<sup>2</sup>. In addition, Business-to-Business (B2B) eCommerce in the US accounted for \$2.1 trillion, or 14% of all B2B sales<sup>3</sup> in 2023.

But what does it mean to be an eTailer? eTailers, short for electronic retailers, are businesses that sell goods and services over the Internet. This can include retailers and companies selling business-to-business (B2B), business-to-consumer (B2C), or direct-to-consumer (D2C).

eTailing began in the 1990s with the advent of the internet and has since evolved into a dominant force in the economy. Improvements in technology, logistics, and payment systems have sparked rapid expansion within the industry.

The eCommerce sector is dynamic and constantly changing due to shifts in consumer behaviors. Despite this significant growth, eCommerce businesses face a multitude of challenges they must overcome to thrive in this complex landscape.

By addressing these challenges and staying ahead of market trends, eTailers can build resilient and thriving businesses in the competitive eCommerce market.



<sup>1</sup> [Statista, Retail eCommerce Sales Worldwide \(2014-2027\)](#)

<sup>2</sup> [US Census Bureau News, Quarterly Retail E-Commerce Sales \(Q1 2024\)](#)

<sup>3</sup> [Digital Commerce 360, B2B eCommerce Market \(Feb 7, 2024\)](#)



## What type of eTailer are you?

eTailers can be categorized into several types based on their business models:

- **B2C (Business-to-Consumer)**  
Selling directly to customers via websites or marketplaces like Amazon or Walmart.
- **B2B (Business-to-Business)**  
Selling directly to other businesses via websites or B2B marketplaces like Alibaba.
- **C2C (Consumer-to-Consumer)**  
Marketplaces like eBay and Etsy enable customers to sell to each other.
- **D2C (Direct-to-Consumer)**  
Manufacturers and Distributors that bypass (or augment) traditional retail channels to sell directly to consumers online.

*Some eTailers may fall into multiple categories.*



## Where to Start?

The rise of online commerce has spawned the term "eTailer." An eTailer is a company that earns a significant percentage of its income from online sales. However, having an eCommerce site and profiting from it can be two different things. **eTailers need answers to questions like:**

**Are the items I have in stock accurately represented on my eCommerce platform(s)?** *It's crucial to ensure that inventory listings are accurate across all systems, with available inventory updated in real time.*

**How are sales generated through my online platform reported within my accounting software?** *It's essential to understand how transactions conducted online are reflected accurately in financial records.*

**How can I effectively administer pricing discounts, coupons, gift cards, and loyalty rewards within my sales strategy?** *It's imperative to understand how to manage promotional tools to optimize customer engagement and drive sales.*

**What can I do to ensure I can communicate with all my online channels for changes in pricing, product listings, and images?** *This is vital for fostering coherence and reliability in online presences.*



In short, what can I do to stay ahead of my competition? Read on as we walk through ten of the thorniest challenges faced by eTailers today, and demonstrate how a unified software solution can address all of them. **So, let's get you in the game to win!**

# Top 10 challenges Faced by eTailers

## 1. Which is better: Marketplaces or websites?

eTailers are faced with an almost endless number of options when it comes to selling online: Sell through a website, sell through a marketplace, use social media marketplaces, host your own website, or use a third-party eCommerce hosting platform. It boils down to two fundamental choices: marketplaces or websites. [Marketplaces and websites each have advantages and disadvantages for eTailers.](#)



### Marketplace

Marketplaces like Amazon attract a large volume of visitors with ads. They make it easy for sellers to join and start selling quickly. However, you'll face tough competition from other companies selling similar products and need to account for the fees associated with selling in the marketplace.



### Website

Alternatively, you can sell your products using a dedicated website that carries only your products, but the downside is that you are responsible for driving traffic to your site and need to ensure you have an effective fulfillment process to ensure timely delivery.

### So, which is better for eTailers: marketplaces or websites?

While no "best" option applies to everyone, many companies choose a combination of the two, appearing on different marketplaces while operating their own branded website to maximize their exposure to potential customers. However, no matter which option you choose, one of the biggest challenges will be integrating your eCommerce activity with your backend processes, like your accounting, CRM, and inventory management.



### The Solution

Look for a unified solution that offers a platform that ensures new sales are recorded in your financial management system, orders are correctly deducted from your inventory, fulfillment processes are initiated, and all customer activity is reflected in your CRM.

## 2. How do I address multiple markets?

An advantage of online selling is that geographical boundaries no longer limit you. You can address multiple target audiences with different brandings. In essence, the entire world becomes a potential customer.

To reach these customers, your company must be aware of segmenting its target audience and use branding and messaging that resonates with it.



Market segmentation is art as much as it is science. Consider the characteristics of the people who are likely to purchase your product, such as:

- What age bracket does your target audience fall under?
- Does their geographical location affect their likelihood of purchase?
- Do factors like ethnicity, religious affiliation, education, or sexual orientation impact their buying decision?
- Are they likely to purchase online or through the use of a mobile device?
- Where are they likely to look for a product like yours?
- Does your product appeal to both consumers and businesses alike?

As you can see, there are many ways to segment your potential market, and each segment will need a unique message that appeals to them. To solve this, you can set up a different website for each target audience or configure different areas on the same website to cater to each buyer's persona.

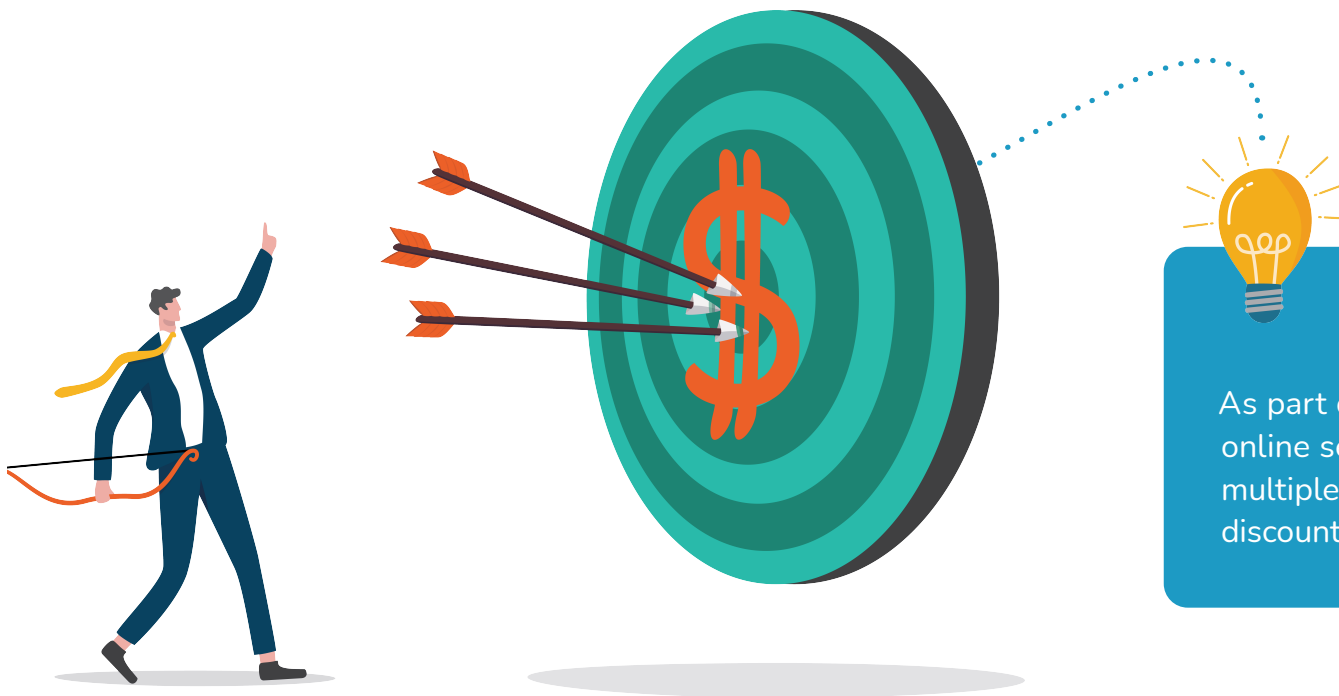
## The Solution

Whether you sell to B2C, B2B, or D2C, a unified solution integrates each of your eCommerce sites and/or marketplaces and lets you define separate messages for each target market.



### 3. How do I handle multiple pricing strategies?

Finding the optimum price point that maximizes profit can present multiple challenges for eTailers. Sellers must cover the product's wholesale price and any fees charged by the selling platform, fulfillment centers, and credit card clearing companies. International commerce exposes vendors to currency fluctuations, import and export fees, and transportation costs. Other factors include buying incentives like loyalty points, frequent buyer cards, quantity discounts, and more.



#### The Solution

As part of your eTailer platform, a flexible ERP helps online sellers manage different pricing strategies on multiple sites, tracks marketplace fees, and supports discounts and special offers for preferred customers.

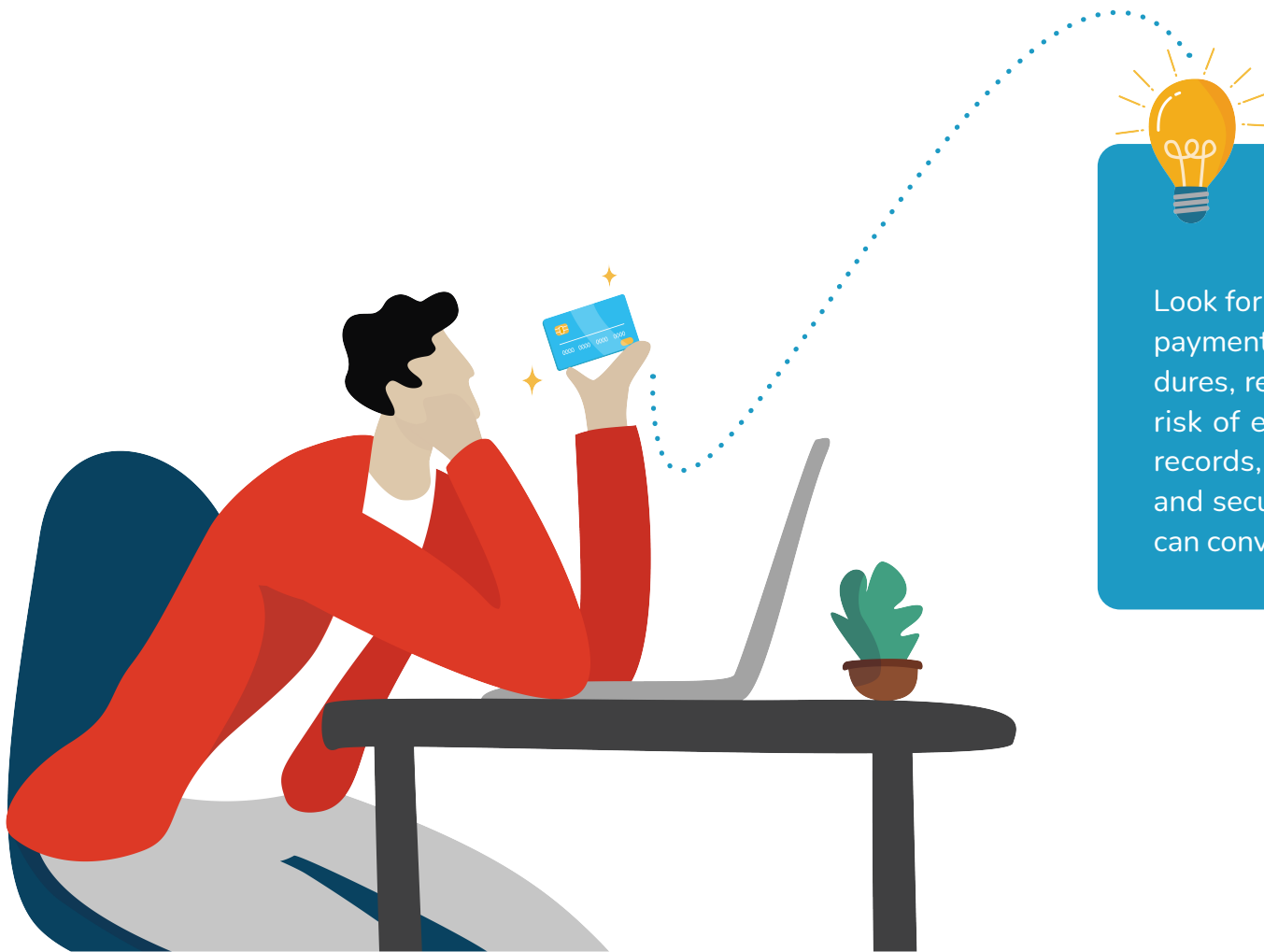
## 4. How do I accept payments from my customers?

One of the leading causes of shopping cart abandonment is difficulty during the payment process. The payment process should be easy, fast, and secure to ensure buyers complete their purchase. Guaranteeing safe and secure payment options is crucial. **Questions to ask yourself include:**

- Which forms of payment do you want to accept? Options include credit and debit cards, Google Pay, Apple Pay, and ACH.
- When is payment expected? Some receive payment upon acceptance, while others settle on shipment.
- What security features are in place? Online credit card acceptance requires complying with regulations such as the Payment Card Industry – Data Security Standard (PCI-DSS) to protect customer payment data from unauthorized access, breaches, and fraud.



Most marketplaces and managed eCommerce platforms offer secure payment options. However, each provider may have different ways of handling sales transactions.



## The Solution

Look for an eTailer solution that integrates with all your payment providers. This simplifies your payment procedures, reduces administrative tasks, and minimizes the risk of errors. The solution should maintain financial records, offering comprehensive reports while swiftly and securely transferring funds to your account so you can conveniently access your earnings.

## Fast facts about eTailers

The rise of eCommerce has fundamentally changed the retail landscape, offering consumers unparalleled convenience and access to a global marketplace.

### Did you know:

- Nearly 60% of consumers prefer to visit manufacturers' websites because of their extensive product selection<sup>1</sup>.
- The online shopping cart abandonment rate is 70%. The most common reason for cart abandonment (47%) was additional costs like shipping, taxes, and fees<sup>2</sup>.
- Consumers returned a total of \$743 billion worth of products in 2023, around 14.5% of all retail sales placed that year<sup>3</sup>.
- Mobile eCommerce sales are expected to amount to \$2.52 trillion in 2024. Tablet devices have the highest conversion rate at 3.1%, followed by desktops at 2.8%. Smartphones take third place with a conversion rate of 2.3%<sup>4</sup>.



<sup>1</sup> [Business Insider - Consumers Are Buying Directly from Brands \(2021\)](#)

<sup>2</sup> [Shopify - How To Reduce Cart Abandonment and Close Sales \(2024\)](#)

<sup>3</sup> [Shopify - Ecommerce Returns: Expert Guide to Best Practices \(2024\)](#)

<sup>4</sup> [SellersCommerce - 34 eCommerce Statistics in 2024 \(Global Data\)](#)



## 5. How do I maintain accurate inventory?

Warehousing and inventory present their own unique set of challenges. Your ERP, warehouse management, and inventory management software should integrate with your websites and marketplaces to ensure each sale of an item online is reflected in your inventory management system.

This ensures that your online sales channels have real-time access to the number of items available in inventory to avoid stockouts, which can lead to dissatisfied customers. This type of integration also allows companies like Amazon to use their inventory management to fulfill orders from other retail site providers such as Shopify.



### The Solution

Using a modern ERP as part of your eTailer solution offers integration with most inventory and warehouse management applications. This provides real-time visibility of inventory and ensures that online sales are deducted from your inventory count. You can also automate inventory replenishment when available inventory hits predetermined levels.



## 6. How do I ensure the longevity of my technology solution?

As your company grows, the technology and infrastructure used to run your back-office financials, warehousing, and more needs to scale with you. The same is true for the technology that runs your online business. eTailers should continually invest in their platforms to guarantee a reliable and secure user environment for their customers.

### The Solution

The technology that drives online commerce continues to evolve, and the major cloud services providers, like Microsoft Azure or Amazon Web Services, provide their clients with a scalable, secure technology infrastructure. Modern cloud-based business software (ERP, CRM, warehouse management systems, etc.) leverages this infrastructure to meet the performance and reliability standards required for outstanding customer experience.

*Cloud-based solutions like Microsoft Azure promise 99% uptimes, with frequent updates ensuring secure applications without the overhead of on-premises systems.*



## 7. How do I keep content and images current for different sales channels?

It's imperative for products featured across multiple sales channels to implement a streamlined content management approach. This not only guarantees coherence in product descriptions, images, and specifications but also caters effectively to diverse target markets. Without a strategy, discrepancies may arise, potentially diluting the brand's message and impacting customer engagement negatively.



### The Solution

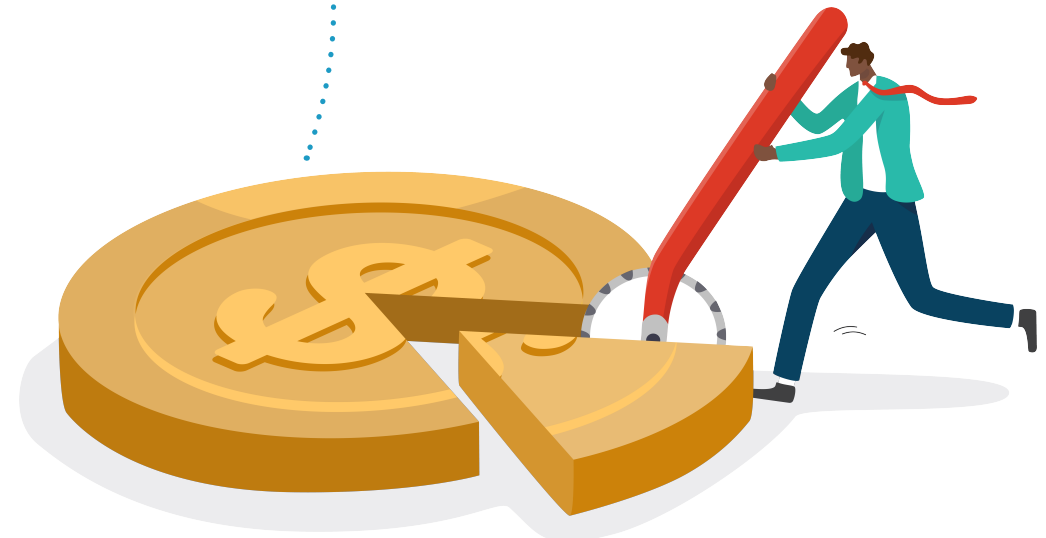
A flexible eTailer solution not only enables you to manage unique product content for multiple site deployments but also offers customization options to tailor each site to specific audience preferences or market segments. This ensures consistency across platforms while allowing for targeted marketing strategies and enhanced customer experiences.

## 8. How should I handle sales tax calculations?

Sales tax calculations vary by state, county, and municipality. Companies required to collect and pay sales tax must have processes to calculate, collect, and distribute the correct sales tax for each order. These calculations can be complex because local municipalities can levy sales taxes on top of county and state government taxes. Simply going by the buyer's ZIP code is not sufficient.

### The Solution

Contemporary ERP solutions commonly offer add-on products to allow for companies to precisely calculate, collect, and remit the necessary sales tax for every transaction. These seamlessly integrated modules ensure effective tax compliance management and adherence to regulatory standards.



## 9. How do I handle fulfillment, returns, and refunds?

Order fulfillment involves many moving parts. Picking, packing, and shipping must be completed efficiently and accurately. Any anomaly, such as incomplete or incorrect orders, delays in delivery, or delivery to the wrong address, can potentially result in costly returns and a lost customer for life.

Online sellers can be responsible for their own fulfillment or use the fulfillment services provided by the online sales platforms and marketplaces they do business with. These vendors use their warehouse facilities and fulfillment services, charging fees for the use of those services. These services often expedite the delivery of products through geographically dispersed warehouses and efficient warehouse management.

eTailers must also have a plan for managing returns and refunds. Whether utilizing a provider for fulfillment or managing this internally, the process should be documented and adhered to in a timely manner.



### The Solution

Whether fulfillment is provided by a third party (for example, Fulfillment by Amazon) or from your own warehouse, your ERP must have seamless integration with your online sites to know when orders are placed and with your fulfillment center or warehouse and inventory management systems to ensure the proper items are picked, packed, and shipped correctly.

Customers should also be able to initiate a return online along with a simple and convenient method to return the product to you. Once the product is received, the customer's account should be credited, or a replacement product should be sent as quickly as possible (in accordance with your return policy).

Returns and refunds require integration among your ERP, eCommerce sites, warehouse and inventory management systems, CRM, and payment gateways. You might also need to work closely with your shipping carrier to negotiate lower costs for transporting returned items.

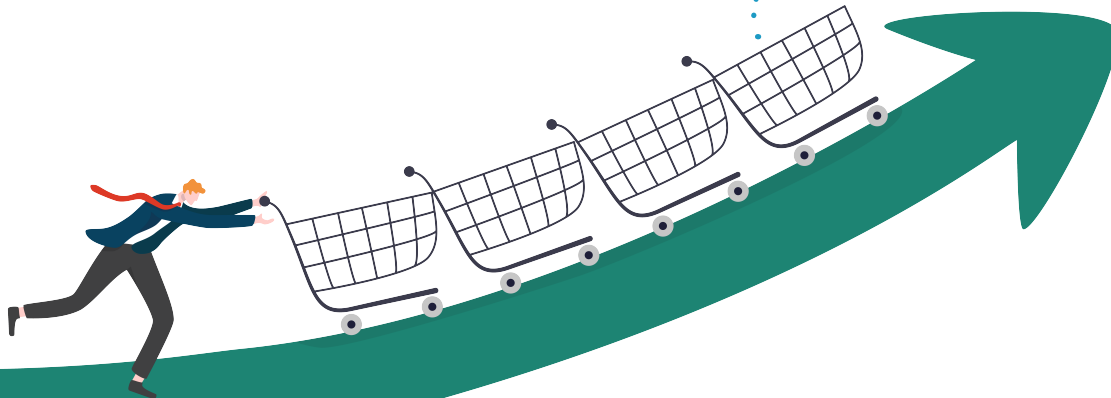
## 10. What about upselling and bundling opportunities?

Many eCommerce platforms and marketplaces support the concept of upselling and bundling. This can be a lucrative feature for online vendors. Upselling and bundling can involve offering a good/better/best range of selections based on the customer's product search or presenting complementary products that typically accompany the customer's choice. In addition, most eCommerce platforms and marketplaces support faceted search, allowing customers to view products by different search criteria, such as by manufacturer, size, color, price, etc.



### The Solution

A flexible eTailer solution lets you associate upsell and complementary products for each product and provides faceted search options.



## Why Choose ArcherPoint's Unified eTailer Solution?

### Microsoft Dynamics 365 Business Central

ArcherPoint's unified eTailer solution is built on integrated, flexible components. We start with Microsoft Dynamics 365 Business Central, a complete Enterprise Resource Planning (ERP) application that includes:

- Advanced financials, supporting multiple currencies and multi-entity consolidations.
- Comprehensive manufacturing, supply chain, inventory, and warehouse management features.
- Built-in integration with Microsoft's productivity tools (Outlook, Teams, Excel, etc.) and Microsoft Power Platform (including process automation, app development tools, and AI-powered business intelligence).
- Integration with most third-party business applications for CRM, Warehouse Management, and more.
- Microsoft Dynamics 365 Business Central is widely supported by a community of Independent Software Vendors (ISVs) who provide products that expand the capabilities of Business Central, from sales tax to robust API availability to connect all your applications. Check out 5000+ add-on apps for Business Central at [Microsoft's AppSource](#).



## Channel Sales Manager

Warehousing and inventory present their own unique set of challenges. Your ERP, warehouse management, and inventory management software should integrate with your websites and marketplaces to ensure each sale of an item online is reflected in your inventory management system.

This ensures that your online sales channels have real-time access to the number of items available in inventory to avoid stockouts, which can lead to dissatisfied customers. This type of integration also allows companies like Amazon to use their inventory management to fulfill orders from other retail site providers such as Shopify.

## Channel Payments Manager

Our unified eTailer solution also includes Channel Payments Manager, a PCI-compliant payment gateway with native Stripe and Usio support, and an API engine to create new integrations as needed.

## Conclusion

Find out how a unified eTailer solution from ArcherPoint can help accelerate your eTailer time to market, attract and retain more clients, and meet your company's present and future needs.

Don't stay on the sidelines—[Contact us today](#) to see how you can up your eTailing game.



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