

## Why Brands Need a Strategic Plan to Compete in the Ecommerce Era



With the increasing focus and potential future dominance of eChannels and mChannels of conducting commerce, it has never been a more challenging time for brands

Traditional distribution channels are faced with new giant competitors who operate from offices and warehouses and not from the shop next to them. Many of them are at wits end about how to deal with such competition - one that works 24X7, changes prices several times a day, offers deals, has the backing of brand promotions, provides high levels of customer service, multiple payment options and more

### **Where does this turmoil leave brands?**

Online marketplaces have their own objectives and game plan. Brands play an important role of providing a spread of merchandise that consumers are looking to buy. Promoting brands initially serves the purpose of the online marketplace. But in its own evolution the marketplace realises that it is helping build brands and therefore needs to charge for this service. Therefore in a very short span of the time, the brand will need to start investing heavily in discounts, promotions, paid ads, preferred listing, special packaging, bundles, investment in reviews and key opinion leaders and much much more.. all the costs a ton of money and is only going to get more expensive as we have seen on search engines whose bidding system has made getting ordinary search words more and more expensive . In the process, brands will find themselves in a situation where they cannot get off the roller coaster for fear of losing market share, yet they will need to keep ignoring their ecommerce profitability in the hope that one day the ecommerce bet will pay off. Simply listing products on online marketplaces will not guarantee any sales

If the going is so tough for brands, imagine what it is like for non branded goods. Millions of SKUs of toys, jewelry, kitchen items, accessories, garments impulse items and dust collectors. All flooding the online marketplaces with little chance of selling without great prices and online marketplace promotions.

Brands have another challenge - marketing managers with little or no experience in ecommerce are thrust onto this new medium that promises to deliver on digital marketing while essentially being a sales channel. On the other hand, sales managers whose targets are being met by online marketplaces are perhaps prioritising it over traditional channels

Very few managers are talking about profitability of ecommerce. Or about what the online marketplaces can deliver to the brand apart from sales (that too discounted sales with lots of promotions thrown in)

In all this chaos, brands are in a very difficult position. Control is shifting to the online marketplaces and there is little that the brand can do about it.

For brands to have a territory that they can call their own, they need to be able to carve out their space and plant a brand flag in the ecommerce world

Brands need to work on creating an ecommerce framework and strategy that will enable them to leverage the ecommerce boom, and not get lost in the it

To learn more and to get a free guide to 'Creating a Framework for Brands to Succeed in The Ecommerce World' write to [ajay@ndcommerce.in](mailto:ajay@ndcommerce.in) or whatsapp +86 188 1322 8742