

HIGHER PROFITS WITH AUTOMATION

How automating ecommerce orders benefit your bottom line.

Ecommerce automation saves time and eliminates errors. It also prevents overselling and incorrect tax calculations. When fees and expenses are automated, you can fully reconcile your accounts to know how much money you have. But that's just the beginning. Let's take a closer look at the benefits of automation by examining an order, step by step.

1 THE ORDER

Right out of the gate, crucial details are included in every online order you receive from an online store. If an order is automated instead of manually entered into multiple systems, the seller is far more likely to properly fulfill the order, maintain clean finances, and keep accurate inventory.

But there's more to it. For example, when order data is automated directly into your customer database, you can instantly identify whether the customer is new or returning, either adding them to your new-customer nurture campaign or confirming that they are already part of your existing retention efforts. **► Why does this matter?** Repeat customers spend 33% more than new. But retention doesn't happen on its own; it must be a priority.

It's **7x** more expensive to acquire a new customer than retain an existing one.
Investp, 2017

DOLLARS + SENSE: Lowering your customer churn rate by **5%** can increase your profitability by as much as **125%**.
Small Biz Trends, 2016

2 PAYMENT PROCESSORS

Payment processor fees—credit card, pay-as-you-go processor, or point of sale—are deducted from the cost of the item at the time of a sale. But how do you know if those fees are fair? Many sellers have little experience with payment processor contracts, so it's worth taking time to learn about the options, including which add-ons are worth the price, and strategize before negotiating the agreement. Fortunately, the payment industry is changing quickly and with more choices comes better prices. **► Why does this matter?** When your payment processors are automatically tracked and aggregated, it's easier to see which agreements might need to be renegotiated, adjusted, or consolidated.

DOLLARS + SENSE: Learn to calculate your "effective rate" and your "effective markup" to accurately compare processors, negotiate contracts with confidence, and save thousands of dollars on fees every year. MerchantMaverick.com

PayPal transactions have **70%** higher checkout conversion than non-PayPal transactions.
PayPal, 2018

3 ACCOUNTING

Without automation, all order details must be manually entered into accounting at great cost to the SMB seller in time and effort. With automation, posting orders can be customized to your needs, standardized across sales channels, and instantly entered into accounting exactly as you or your accountant would like it to appear. This allows you to spend that time and energy on marketing strategies like video or email marketing to move more product. **Why does this matter?** A higher degree of control in your postings means cleaner data, fewer financial forensics, and more understanding of the overall health of your business for your whole team.

73% of consumers are more likely to purchase a product or service if they can watch a video explaining it beforehand.
Animoto, 2017

DOLLARS + SENSE: Based on a data entry rate of **\$20/hour** at **1000** orders per month, automation makes it possible to **save up to 90% on your bookkeeping costs.** Webgility, 2018

4 FULFILLMENT

Simply put, in order for an item to reach the customer, it must be entered into your fulfillment system. Automating this data allows you to immediately confirm the address of the customer, send a confirmation, and share the tracking information, so nothing is lost in the process, returns included. **Why does this matter?** Automating this information with an integrated shipping provider allows you—or your operations team—to instantly compare rates between carriers and choose what is best for you and your customer. At an even higher level, automation can help you gain visibility into geographic locations to which shipping is most cost effective to make adjustments for heavier marketing in those



A complicated return policy will deter up to **80%** of potential buyers.
Ecommerce Platforms, 2018

DOLLARS + SENSE: **Free shipping and easy returns** are services most online shoppers want; **88% of shoppers** would wait longer rather than pay for shipping. MarketingProfs, 2018

5 INVENTORY

Once an order is placed, each item sold must be synced with the entire catalog (all channels and warehouses), either from your the inventory in a store or from accounting. Without automation, you'd need to manually adjust all inventory on each channel. Automatic inventory sync prevents selling or listing an item that has already been purchased or is out of stock, no matter how large the catalog or how many channels. **Why does this matter?** Overselling creates angry customers, angry customers write bad reviews, and bad reviews lead to low—or no—sales.

More than **90%** of people buying on Amazon wouldn't purchase an item with less than **3 stars.**
n Channel, 2017

DOLLARS + SENSE: **4+ negative articles** about your company or product appearing in Google search results can cause you to **lose up to 70%** of potential customers.
n Channel, 2017

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SHIPPING

With automation, shipping costs for the order are then deducted from your accounting. Without automation, these costs are typically entered manually as summaries. Automatically recording shipping costs and revenue allows visibility to adjust margins up or down and offer customers better shipping prices—or even turn a profit from shipping. **► Why does this matter?**

Automation allows you to drill down on details of shipping in real time to find wasted costs and, ideally, make more money.

60% of online shoppers abandon carts because of unexpected shipping costs.
Barilliance, 2018



DOLLARS + SENSE: Including a portion of shipping costs in your product prices can **increase your margins up to 26%**. MarketingProfs, 2018

MARKETPLACES

If you sell on a marketplace like Amazon or eBay, you know the deposits, fees, and expenses of each sale can pile up and need to be accounted for. These can include monthly subscription fees, per-item fees, referral fees, closing fees, high-volume listing fees, refund administration fees, and so on. Without automation, this cumbersome and complex process must all be manually entered, calculated, and analyzed based on when and how the marketplaces report their fees—tons of work yielding very little perspective on the bottom line. **► Why does this matter?** With automation, these fees can be instantly synced and tracked to reveal which marketplaces bring the highest profit margins and which fees are worth adjusting to affect those margins.

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35% of online shoppers start their search on a marketplace.
n Channel, 2017



DOLLARS + SENSE: If you're paying for additional promotions, exposure, volume, or storage on marketplaces, automation lets you **track the return on investment (ROI)**.

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PROFITS

If there's anything left over after all fees, expenses, and costs are accounted for, this amount can be automated into accounting and deposited in your bank account. **► Why does this matter?** Over time, automated data analytics reveal trends in revenue, customers, and inventory and allow for accurate forecasting in all of these areas, so you can work smarter, not harder.



DOLLARS + SENSE: Honing in on your sweet spot for products, channels, and customers will allow you to **scale strategically** without breaking your whole operational system.

42% of marketers said interpreting results is the biggest challenge in optimizing conversion.
Econsultancy 2014

By bringing sellers out of the darkness of busywork and into the light of growing a business, automation reveals actionable insights. When ecommerce accounting is clean, you can analyze what you spend on fees, expenses, and shipping costs and tweak your profit margins from a high level or adjust them one data point at a time. And by using an automation tool that integrates with your entire tech stack, you can spend time on what really matters, selling the product you're passionate about or using your passion for selling to move more product. @