

Midland Metal

White Paper topic: E-commerce solution

The e-commerce market continues to grow and evolve and as it does, customers have more and more distributors to choose from. They are often looking for quick turnaround times, accurately shipped orders, and quality products, in addition to reasonable prices. To stay competitive, industrial distributors and vendors need to have an option to place their orders online.

The pressure to match the speed of logistics to the speed of information is on. In fact, in a report on industrial buying dynamics, UPS found that eighty-one percent of respondents had purchased direct from a manufacturer, up from sixty-four percent the year before. The ease and convenience of being able to purchase online or from a mobile app is being driven by Millennials.

Digital technology and online sales platforms have made it possible for manufacturers to sell certain products directly to their end users, especially if the part has high value or is needed immediately. But for distributors who have already established an online presence, such as Grainger, they're not finding that their sales have significantly dropped. Last year, more than sixty percent of their orders originated on digital channels.

Distributors need to look at developing those channels as an investment, considering the experience and convenience of the end buyer. Most are looking towards mobile apps and social media, particularly for marketing and to inform customers about their products. Most industrial buyers expect some sort of social media interaction, followed by personalized service.

Distributors add a lot of value through the personalized attention they can provide to the manufacturer. This includes customer service, unmatched knowledge about their products, and an intimate awareness of their customers' business, meaning they can anticipate when inventory is low and when orders might fluctuate up or down. Often this requires a high level of multimodal visibility connecting vendors with their customers.

Ultimately, a solid relationship with its vendor can save a company both money and time, so developing and enhancing it is a huge opportunity for distributors. Credible customer service reps, dependable inventory management, and the ability to forecast orders and shipments, paired with the convenience and ease of online ordering makes a distributor indispensable to its customers. This trusted relationship can free up the manufacturer to spend its overhead on marketing and product development. Otherwise, speedy, low-cost shipping and digital ordering channels will prove too tempting for most companies.