

IS E-COMMERCE PART OF YOUR DIGITAL TRANSFORMATION?

The pandemic put a new emphasis on the importance of leveraging digital channels.

May 17, 2021 • Industry Week • Peter Fretty

There has been a lot of talk about the digital transformation surge throughout the pandemic. Understandably, strategic investments in digital technologies enabled manufacturers to more effectively remain operational.

Of course, digital transformation goes well beyond the operation technology central to production environments. It also includes embracing the tools designed to optimize the supply chain from material and component sourcing to customer delivery. Those who invested wisely have been able to capitalize on interesting new opportunities including endeavors into e-commerce. After all, e-commerce goes well beyond consumer goods.

“Despite supply chain shortage challenges for certain products over the past year, the focus on e-commerce strategies has

been strong throughout 2020 and is expected to continue to increase in 2021,” VAI’s Gina Parry tells IndustryWeek. “Economic uncertainties, especially throughout the supply chain, made supply and demand tracking a difficult task, impacting shipping and delivery times.”

However, organizations who were able to utilize data-driven technologies to follow buyer trends and reach consumers at home with e-commerce strategies are now coming out on the other side with tremendous growth, explains Parry. “Many buyers are interested in online and mobile purchasing and expect to continue some of the same habits in 2021, signaling to companies that have already put a focus on e-commerce to continue expanding their digital capabilities,” she says.

While the pandemic forced

distributors and logistics providers to rethink operations to avoid shortages or delays, many companies capitalized in areas where demand was higher, like consumer-packaged goods (CPG) and healthcare products. “It is a lesson for the industry to utilize technology like predictive analytics coupled with live data to track supply and demand and be flexible with current purchasing trends, allowing for the entire supply chain to successfully pivot and see growth,” says Parry. “We are seeing major retail brands and their logistics partners benefit from the boom in e-commerce and this goes together with digital transformation happening at the ground level for many of these companies.”

According to Parry, the impact of digital shift is most evident with the retail space where brands who have prioritized e-commerce and

mobile technology to be at the core of their business models are the ones who have succeeded in the current online shopping and Buy-Online-Pickup-In-Store (BOPIS) climate. “Even if shoppers return to stores as vaccinations increase, e-commerce delivery will remain a priority,” says Parry. “As a result of the past year, brands must rely on tech-enabled

strategies not only at the front end with customers, but throughout the supply chain – ensuring fast delivery and pickup options.”

However, many distributors and manufacturers have also found success through utilizing business analytics and machine learning to forecast trends and make predictive purchases. “Businesses

can focus as trends change and handle disruptions to the supply chain by relying on digital solutions to efficiently continue operations,” she says. “In what might be a new shift in retail and CPG distribution, more companies working to capitalize on the e-commerce sector need a solution that can evaluate important analytics and create informative insights.”