



EBOOK

The urgency of digital transformation

NEW SALES OPPORTUNITIES IN THE
FACE OF CRISIS AND CHANGES IN
CONSUMPTION HABITS

*Sales
Layer

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Sales Layer's commitment to the future of ecommerce

Your goal is to design and expand an online strategy through diverse channels and marketplaces that reach sellers or digital consumers in multiple markets. Our mission is to provide you with flexible tools and ever more services to automate and enhance your day-to-day operations as well as your catalog. This ebook highlights the importance of digital transformation for the survival of businesses.

If you want to discover other materials related to the management and quality of product and catalog content, visit the Sales Layer [resource center](#) or request a [personalized session](#) with our team.

Anything you'd like us to know about you? Write to us at info@saleslayer.com

A decorative vertical bar on the left side of the page, featuring a light blue background with various geometric shapes and patterns in white and dark blue. These include triangles, squares, circles, and abstract patterns like a cross, a ring, and a checkered square.

“It was the best of times, it was the worst of times.”

A tale of two cities, Charles Dickens

During the 2020 global health emergency, consumers have increased the rate and volume of demand for many products. With food, hygiene, and sanitary products in the lead in terms of sales, consumption is not slowing down and new business strategies are needed to keep up.

Since travel restrictions and isolation measures began in February 2020, 50% of Chinese and 31% of Italian consumers say they have been turning to ecommerce more often. Other countries such as Vietnam, India, and Russia have also experienced a growth in online shopping of up to 57%.

Although part of this initial demand in each country corresponds to a level of panic among consumers wanting to stock up on products, it is foreseeable that in a time of “stay-at-home” lockdown, ecommerce will continue to thrive as more people buy online.

What could be considered great news has in fact been a source of anxiety for companies, manufacturers, and distributors that may have been unprepared to deal with such a sudden spike in demand while maintaining supply through online channels.

Then there is the question of whether it remains ethical to promote products and consumption in a world brought to a standstill by an unprecedented crisis.

What is certain is that social isolation measures have turned ecommerce into a vital platform for customers and businesses. In this difficult period, there is no doubt that having online sales channels is important for brands and companies of any size. The digital transformation that has for some time been heralded as inevitable is today more urgent than ever.



**Digital transformation:
The social and commercial
response to the crisis**

It's a trend that has made big headlines in recent years: ecommerce is booming like never before. This is all the more true even as the global economy reaches its lowest levels in decades.

Revenue generated from online sales continues to grow year after year and Spain has become one of the countries quickest to integrate ecommerce practices into its economy.

However, all businesses have been affected by the 2020 health crisis. Many have had to close down physical stores, respond to more demand than their inventory can handle, restock more frequently thereby testing the limits of their warehouse and distribution network, and deal with shipping problems due to an increase in orders as well as new hygiene and safety measures mandated by delivery companies



Ecommerce has revealed itself to be a solution to consumer demand in times of lockdown, but not all companies are prepared for this new economic landscape.

One of the reasons why China has been able to confront the crisis without a total disruption of consumption patterns and distribution chains is the high level of digital savvy among its population. As noted by the Harvard Business Review, in 2019, 36.6% of retail sales in China took place online (compared to 16% in the United States) and 71% of consumers made online purchases (with 80% of transactions occurring via smartphone, another major shopping tool during this period of self-isolation).

Predicting a crisis of this magnitude is difficult and even the companies with the most resources are facing some of the setbacks mentioned before. But a society that is technologically mature and has a digitized distribution chain will be better prepared to face new situations that require adaptable responses and changes to business practice.

Companies that take the digital step forward are contributing to this positive future transformation.

If traditional businesses want to survive the coming changes to the global economy, they will need to equip themselves with a solid technological and omnichannel strategy.

6 reasons why the future is digital

01

Adaptable and precise global resource management

The new world health crisis has shown how a local problem can end up turning into an international disaster. But it also indicates how necessary it is to maintain global communication and connections by taking advantage of online possibilities.

Some countries have not been as affected by the crisis and will represent good opportunities for businesses to sell or distribute their products. Interest in foreign products and international distribution remains high, so marketing and sales strategies will increasingly have to be adapted to the digital world.

Businesses will need to harness tools that can robustly cope with changes in demand and manage multiple markets with customized product content and diverse logistics networks.

02

New ways to explore products in the absence of walk-in stores

Businesses and manufacturers that until now only had physical stores or a face-to-face commercial distribution network have seen all their revenue opportunities dry up. But by taking the digital leap, they can continue to maintain a sales presence that meets the needs of consumers.

Market shifts that many companies were already adapting to before the health crisis have now become the new purchasing patterns of millions of people. The future remains bright for businesses that can remotely share brand catalogs with potential sellers or retailers, facilitate the online purchase of all types of products, and enable digital interactivity. To this end, business owners can take advantage of increasingly simple-to-implement technologies such as augmented reality, which allows buyers to easily search for products as complex as construction material.

03

Marketplaces and Google: The most popular search platforms

Having an online store is no longer a novelty. Today, most online sales traffic begins with searches on Google, which attracts 96% of mobile traffic (Jody Nimetz Co., 2018), or marketplaces, in particular, Amazon.

Developing a high-quality and strategic business profile within these large channels is essential to stand out from the competition. That's why the next step for making your brand heard is not simply to be everywhere, but to market yourself well and with quality content that can be quickly updated.

04

Reaching consumers across many channels

The key word here is "omnichannel": buyers exist in every channel you can imagine. Combinations of search and purchase tools are becoming increasingly varied and complex. These tools range from devices like mobile phones, tablets, computers, smartwatches, voice assistants, and smart appliances to channels such as social networks, marketplaces, search engines, forums, and web pages.

Should you have a finger in all of these pies right now? No. The marketing strategy you develop will depend on your product niche and audience profile along with the sociocultural features of the region you sell to. But starting to expand your presence in digital channels will ensure you access to buyers who have abandoned traditional channels and physical stores.

05

A brand image that is uniform around the world

One challenge that comes with having an international presence is brand control. On the one hand, manufacturers need to present a standard image to the world, but at the same time, they must adapt their tone, featured solutions, and even product catalogs to different regions and populations.

The digital management of all company data makes it easy to synchronize all phases of product sales and distribution as well as share the same resources with teams spread across the globe so they can remain up to date and on the same page.

06

No more face to face: Customer interaction via smartphone

With the closing of physical stores, consumer searches and purchases are now mainly happening on computers and, above all, mobile phones.

89% of online users recommend a brand that offers a good mobile experience (Higher Visibility, 2019) and the average conversion rate for mobile sales has increased 64% in the last two years (Higher Visibility, 2019).

As sales opportunities, brands need to reinforce their identity in the most popular search channels by creating a presence on social networks, collaborating with influencers, and promoting customer reviews and online ad campaigns.

But manufacturers themselves must also adapt: Sales representatives who were once able to deliver face-to-face presentations, visit trade fairs, and organize events will now have to redirect their strategy to digital channels and tools that allow for the sharing and management of content remotely.



Technologies available to companies: The rise of automation

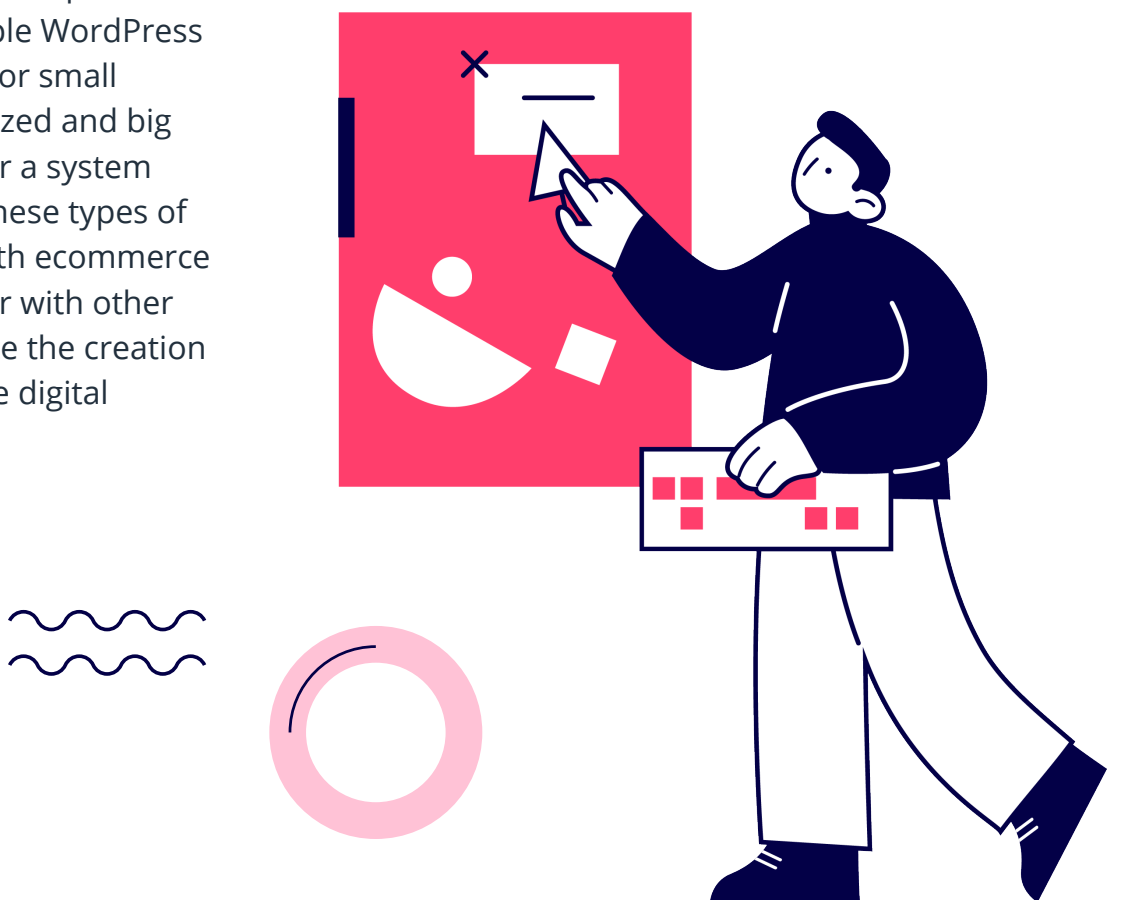
The worsening of the health crisis coupled with the certainty that many companies will have to close down their physical headquarters and have all or part of their team work from home has caused more demand for automation technologies.

These systems allow companies to maintain their activities even while implementing isolation measures and reducing their staff. For example, the Israeli company Caja Robotics has experienced a 30% increase in demand for its warehouse automation technology, a vital tool for keeping up with product sales and delivery.

► CMS: Content Management Systems

To maintain a branded digital experience, a CMS or content management system is a must-have software platform that allows you to create a control panel for hosting, creating, and managing web content. Both manufacturers and sellers need a powerful CMS to host their brand pages, catalogs, and online stores.

If you're looking to digitally transform your business, then a well-equipped and versatile program is sure to help scale up your operations. A simple WordPress website is a place to start for small businesses, but medium-sized and big companies should consider a system like Magento or Shopify. These types of CMS have been created with ecommerce goals in mind and, together with other software tools, can facilitate the creation of a modern and adaptable digital business ecosystem.



▶ PIM: Product Information Management

While CMS is a platform for the digital presentation of content, PIM is a tool that manufacturers and retailers can use to manage all their product content in one place.

Cloud-based [Product Information Management](#) systems allow you to host and organize data and resources in a central repository, import and export content easily in various formats, maintain automatic updates, and grant editors access from any device anywhere in the world.

In this hyper-connected age where buyers expect reliable product information, high-quality photos, and trust marks, a PIM is the best catalog management solution for launching businesses into a digital future.

PIMs can also serve as a work tool for manufacturers, enabling them to coordinate their commercial network remotely from any location, access updated product data, and even share instant catalogs containing specific product information, only with the people they choose. This software will be an increasingly useful option for businesses while conventions, business fairs, and in-person meetings cannot be held.

▶ Inventory management and forecasting

Many traditional businesses are resisting the digital leap due to the complications of managing inventory across different channels. But an inventory management system can help coordinate product allocations by enabling companies to determine existing stock levels in the warehouse (and, by extension, units for sale in each online channel) as well as predict when it will be necessary to request more of an item from a supplier.

In massive markets like China, the use of artificial intelligence-based inventory management systems is already popular. Alibaba Group's Cainiao Network, for example, connects physical stores to online demand and uses them as a distribution network.

The use of AI technology has increased by 270% in the last four years (Leftronic, 2019) and solutions such as Cainiao are proving very useful for releasing inventory "trapped" in stores that have closed due to quarantine measures.





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**Analysis of a crisis:
Changes in demand and
niches that stand to benefit
from the global lockdown**

There is a cloud of uncertainty hanging over many companies today: A Geotelecom report recently revealed that ad spending in March 2020 dropped by about 35%. In China, however, there has been a 17.6% increase in spending on mobile ads since the beginning of the crisis as consumers spend more time on their phones.

While conservative attitudes toward making investments, launching products, and contracting services and staff are understandable at a time like this, they also hurt companies that need teams with fresh ideas who can make flexible decisions.

The crisis has opened up new opportunities for businesses with an online presence, but certain sectors have seen higher profits than others.

Despite their initial losses, the restaurant and fashion retail sectors are predicted to recover as daily life returns to normal, though they will not achieve the growth levels expected for this year. In addition, Forbes estimates that by the end of the crisis, 20% of retail businesses in the United States will be lost.

Many industries have experienced an initial negative impact, especially in consumer goods and fashion retail: According to Rakuten, sales fell by 37% in just one day. For some sectors, the repercussions of this economic downturn could last until 2021. The following industries will be hit particularly hard:

- ▶ **Travel:** Changes in buying habits will include increased spending on long-term trips with customers always having the option to purchase a fully refundable ticket. The negative effects on travel companies will continue for up to 10 months after the end of the crisis.
- ▶ **Automobile:** Companies will see a decline in purchases of both cars and motorcycles (even an early spike in demand for electric scooters began to fall amid lockdown measures). It also bears noting that more than 80% of the global production chain is linked to China.

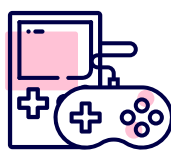
Still, it's not all bad news. Certain sectors have benefited from the new consumption patterns brought about by quarantine restrictions.

These are the business areas that have witnessed a rise in demand, both in terms of purchase volume as well as increased online traffic on apps, websites, and marketplaces:



Basic food products and baby food

According to Geotelecom, in Spain, these businesses have begun to receive 20% more traffic. Food app downloads have also shot up in the United States, with Walmart Grocery in the lead at 460% growth since March, followed by Instacart and Shipt.



Video games

The delivery of these products in a physical format is facing some difficulties. Nonetheless, the Steam platform reached a milestone of 20.3 million users on March 15, 2020. Whereas previously, businesses saw peak consumption on the weekends, they now expect steady growth. The coincidence of lockdown measures with the launch of Animal Crossing for Switch in March also fueled a spike in demand for Nintendo products.



Pharmaceutical, hygiene, and sanitary products

From disinfectants to toilet paper, not to mention the high-in-demand face mask, pharmacy products are generating increases in traffic of more than 50%, while other less traditional sectors have also seen growing demand for products such as healing herbs and acupuncture supplies.



Pet products

Demand has risen up to fivefold, demonstrating consumer concern about having enough food and hygiene supplies for their furry friends at home.



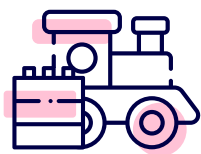
Personal care products

Perhaps surprisingly, spending more time at home has led consumers to worry more about their appearance. Moisturizers, bath and relaxation products, and treatments that were previously performed at barber shops and beauty salons are all categories where online demand is soaring.



Sports equipment

For people who used to regularly play sports or go to the gym or who simply see the importance of avoiding a sedentary lifestyle, quarantine has meant the need to keep up with their exercise at home. This has led to a big increase in the demand for home workout machines, both electric (e.g. treadmills and exercise bikes) and manual (e.g. weights, elastic bands, yoga equipment, etc.).



Toys

In Spain, the online sale of children's toys has increased fourfold, presumably due to the need to entertain children stuck at home. If quarantines and school closures become a regular occurrence, the demand for children's entertainment products will continue to rise.



School supplies and print material

The sale of these products has increased 10% due to the same reason as the previous category, along with the fact that children are completing their schoolwork at home.



Air purifiers

Although not all models serve the purpose that consumers have in mind, this product has become a top seller. Its success in online channels goes back to providing customers with clear and accurate product information so that they know what they are buying.



Latest technology

Some little-known technological innovations have come to the fore of the online marketplace.

Electrostatic spray guns were developed by companies like Emist, EFS Clean, and EarthSafe as an alternative to chemical disinfectants. Until recently, they were purchased mainly for use in offices, schools, and theme parks, but are now receiving attention from other sectors as well as the general public.

Another sector that stands to benefit from the current health crisis is drones, which can be used to automate tasks related to inventory, warehouse management, and product distribution.

The Guangzhou-based company XAG has seen burgeoning interest in the drones it developed to assist in the planting and harvesting of crops. Drone solutions will serve as a vital support to economies during lockdowns and import freezes by ensuring that food production does not stop. The possibilities they offer have led to a spike in technological investment in large-scale farms, agricultural distributors, and governments.

Thermal recognition technology has also proven useful during this global pandemic for its ability to remotely scan company staff and individuals for fever symptoms. Companies like ThirdEye have developed augmented reality glasses that integrate thermal scanning functions as well as a direct data connection to medical services. Shouqi, a limousine and transportation company, has even incorporated this technology into the rearview mirrors of its vehicles.

Other innovations have not been as successful: The robot developed by Promobot had a short life in two locations in New York City—Times Square and Bryant Park—where it distributed masks to pedestrians and offered them virus screening tests. The droid was eventually decommissioned and taken off the streets for not meeting hygienic and sanitary requirements.





**Digital pillars
for businesses in
times of crisis**

It's no surprise that even in new circumstances fraught with uncertainty, consumers will continue to expect to find the products they need quickly and conveniently.

It also stands to reason that this scenario cannot be realized if a large part of the population is generating demand at the same time.

The first key step for any business at this time is to convey a clear and transparent message about what it is doing to address problems in its sales or distribution chains.

Next comes the behind-the-scenes work on a strategy that is fair to consumers and takes into account the common good and urgent needs of society at large, even while prioritizing sales.

Web loading speed and performance



In March 2020, Netflix announced it would reduce the streaming quality of its content by 25% so that peak consumption in Europe did not experience connection problems.

As long as a business's technological infrastructure and channels of production and distribution are not prepared to face exceptionally large demand, any strategy it adopts will have to sacrifice something.

Increased traffic to an online store is a problem at many times of the year, such as Black Friday or Cyber Monday, but even a second too long of loading time for a user on a normal day can result in the loss of a purchase.

Continuously monitoring, analyzing, and improving the speed of your website or online store is an essential practice in ecommerce, one that is revealing all its advantages today.

Having images optimized so they don't slow down the loading of a website or app, using a good server, and reducing the number of redirects, CSS files, and modules will accelerate visits and rank you above the competition. Remember that loading speed is a criterion highly valued by Google when it comes to displaying top search results.

No buyer is willing to wait more than 5 seconds for a page to load on any screen (Google recommends 5 seconds or less with a 3G connection). Ignoring this reality spells disaster, since Amazon calculates that for every 100 milliseconds of delay on a website, sales drop by 1%.

You can check the speed of your product pages at a glance with tools like Google's PageSpeed Insights and take the necessary steps to make sure that your customers can easily find and search your catalog.

Product data

Consumption is not only higher, but also more panic driven. The current surge in purchases comes down to a fear that products will disappear. It also means that buyers will look for alternatives to those items they desire that have gone out of stock.

In this regard, another essential aspect of ecommerce and customer satisfaction stands out: product content. During precarious economic times, ensuring that products are properly labelled and described is vital for maintaining brand image and avoiding unnecessary inconvenience to the customer.

Since buyers will definitely have to wait longer than usual to receive their online order, you must at least guarantee them a choice of product based on reliable and updated data.

Providing descriptions, technical information, and recommended uses for sanitary and hygiene products is essential in a crisis like the current one. The same goes for products that are difficult to find online and may be in short supply, such as foods for diabetics, celiacs, vegans, and people with intolerances.

In the absence of in-person customer interaction, your online store must be super transparent, complete, and informative. This applies both to website design (remember that visitors will form an impression of your product page within a few thousandths of a second) as well as accuracy of product information.

Maintaining creativity and rigor is always a challenge, but it will make your ecommerce business stand out in times of high demand and growth in online traffic. Investing in good product descriptions yields higher sales conversion rates thanks to the perfect alignment of search terms with results as well as the extra value you're offering to the customer.



Having a tool that standardizes content across all your online sales channels is key during these tough times for businesses. Digital transformation involves changing your approach to product and catalog management. Companies that have embraced PIM (Product Information Management) technology in recent years already have a leg up when it comes to adapting to sudden changes in consumption, expanding sales into more online channels, reorganizing their sales strategy, and introducing and withdrawing products from the market, all in real time, from anywhere in the world.

Best of all, their teams can continue to work from multiple locations using a cloud-based PIM such as Sales Layer that is accessible from any device and by any user with permission.

Logistics: inventory, distribution, and shipping of products

During the March 2020 crisis, some supermarkets in Spain chose to close their online shopping channel. Many other businesses around the world were similarly forced to curtail their operations.

Such decisions are understandable from the point of view of the company, which may not be prepared to guarantee so many home deliveries and manage an overload of online traffic.

But is this all fair to those buyers who truly depend on online shopping and cannot go to physical stores?

Logistics has become one of the hot topics in ecommerce in the past year as increases in demand coupled with the expansion of international and omnichannel networks for selling products make it very difficult to have inventory and orders ready to meet customer deadlines.

In periods of crisis, deliveries are delayed because of the simple fact that demand exceeds shipping capacity. Also at play are the coping strategies businesses adopt such as reducing staff and implementing work processes more cautiously and, thus, slowly.

Your customers will be understanding as long as you maintain open communication and provide compensations and provisional measures that favor them as consumers. All this can appear bad for business, especially when you're worried that sales may decline due to the closure of physical stores. But keep in mind that it's more important to offer customers a good experience at a difficult time so that they remember your brand after things have returned to normal.

At the same time, initiatives to keep your buyers happy should make sound business sense. Offering free samples or a discount on all store products does not seem to be as well attuned to the needs of the moment as guaranteeing free shipping, extending return periods, or including a gift with every purchase on account of delivery delays.

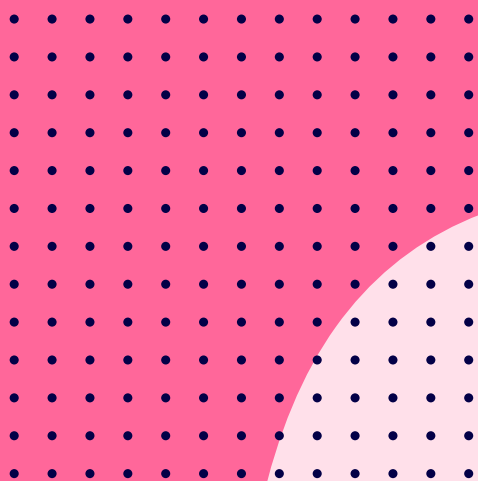
Here are some more day-to-day essentials of ecommerce that will help keep your business afloat in times of crisis:

- ▶ Maintain a solid inventory management strategy.
- ▶ Coordinate and update inventory levels across all channels.
- ▶ Depend on a well-designed distribution plan.

There are even software systems with inventory forecasting functions based on analysis of store operations. These can let you know when each product will most likely need to be restocked.

In any case, how businesses respond to supply gaps can affect public perception of the real causes of distribution and store inventory problems during a period of crisis. For example, in the wake of the declaration of a global pandemic last March, most English consumers cited mass buying as the cause behind product shortages, while Russian consumers blamed them on supply chain weaknesses.





04

**Conclusion:
Digitization
finds a way**

Any crisis is a litmus test for businesses, especially if it reaches a global scale.

There will always be certain obstacles, intractable dilemmas, and temporary sacrifices that companies must endure. But those that have a solid strategy in their day-to-day operations will be better prepared to deal with and adapt to market shifts.

If the current crisis has demonstrated anything, it is the importance and value of ecommerce for consumers and businesses as a more necessary alternative than ever at a time when physical stores are closing down. This new economic landscape presents challenges that are highlighting pre-existing problems in ecommerce (particularly in the sphere of logistics) and that will push the development of better technologies for the future.

Digital transformation benefits the consumer and represents a life jacket for traditional companies. Start from wherever you are with solutions equipped for the digital future: we are happy to guide you and analyze with you the needs of your business.



