



**WILDFIRE INTERNET**

## **Getting Through Coronavirus & Beyond**

Practical Steps For Your Ecommerce Business

Last updated: 23rd March 2020

# How Will Coronavirus Affect Ecommerce Businesses?

---

Coronavirus will affect different sectors in different ways depending upon what you sell, your stock and supply chain and staff exposure to illness.

Travel, hospitality and leisure are taking a big, immediate hit. Conversely, sectors like food, pharmaceuticals, media and digital streaming services are doing well (like Peloton for home workouts and Netflix to alleviate home boredom).

In-demand online services like food deliveries who are flooded and unable to meet demand could see their sales spill over to smaller or specialist retailers while they try to ramp up their own delivery services like [Morrisons delivery service expansion](#).

*Physical retailers' loss of footfall from people staying at home is likely to translate into gains for online retailers as people switch their shopping online at least in the short term.*

Aside from food, other essential items will still be needed, whether it's medicines, parts to fix people's plumbing and heating to stay warm or to keep vehicles on the road, to less essential but practical items like sorting out the trampoline for the kids to play on as they can't go out, or items for overdue DIY projects for the house.

There is also the major issue of supply chain disruption affecting your ability to have products to sell, especially if you are dependent on imported goods from affected areas of the world, especially China. If you source and manufacture locally then you will be in a stronger position to not only weather the storm but also prosper, as will businesses with a good stockholding stretching out a number of months.

People are important. It will be a high priority for many businesses to ensure as few staff as possible are off work due to illness or self-isolating, especially in manufacturing and distribution where they need to be on-site.

**This is not a one-size-fits-all outcome.**

While some businesses will lose out, **there are others who will gain** by having:

- Essential and 'hunkering down' products;
- Good stockholdings and supply chains;
- Coronavirus policies that protect staff;
- Re-assurances in their production and delivery services such as 'no contact' policies;

- Proactive marketing programs and agency support to gain more of the market;
- Optimised pricing, superior delivery services and appropriate returns policies;
- Easy-to-use websites that can handle increased visitor numbers without loss of speed.

## How Long Is This Likely To Last?

---

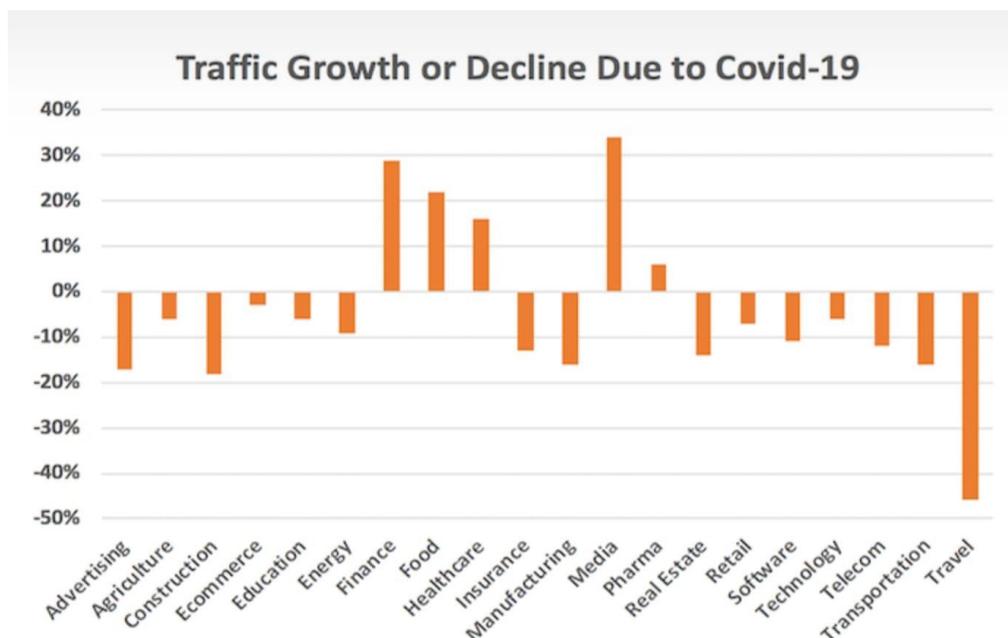
Coronavirus is having an immediate impact now that will likely persist for 12-18 months for many businesses due to slowly returning supply chains and customers plus the fallout from financial actions taken such as loan holidays and repayments kicking back in. To highlight this, research shows that when the stock market falls by 20% or more it takes on average 534 days to recover again - this is the situation we are now in. On top of that there will be other opportunities, challenges and disruption this year such as trade deals with the EU, US and other countries. What you do now to get you through this period will also benefit you for the future.

## What Will Happen To My Website Traffic & Sales?

---

Early indicators are showing a drop in *global* web traffic of between 5% - 15% in many sectors when you exclude the worst hit such as travel with falls of around 45%.

Image courtesy of Neil Patel



Global traffic is not distinct enough and we needed to see the impact for the UK so we analysed a good sample of our UK clients at the *revenue level* (ignoring travel, finance and media which are not sectors we service) and they broadly seem to fit into these 3 categories:

- **Essential items** e.g. heat and eat, spares and repairs  
5% - 15% rising sales in the last week where ad campaigns are present
- **'Hunkering-down' items** e.g. home and garden entertainment, DIY  
10% - 45% rising sales where ad campaigns present
- **Non-essential items** e.g. hobbies and home accessories  
0% through to -10% declining sales with or without marketing

Or you may have buyers who fall into more than one category and so your sales will shift between product groups.

It is early days and the UK will probably go into a higher level of lockdown if it follows other European countries so it is reasonable to expect further traffic swings *either up or down* dependent on which category you fall into and the strength of your stock holding, supply chain, staff availability and promotions versus those of your competitors. Another critical factor on the demand-side will be the level of [government support for affected businesses](#) and consumers who lose their income.

## What Should You Focus On Now To Protect Your Ecommerce Business?

---

There are actions you can put in place now that will help your ecommerce business immediately:

- Coronavirus policies and staffing
- Customer & Supplier Risk Audit
- Quick wins
- Weekly 'War room' analysis of essential performance statistics
- Price monitoring and promotions
- Stock rationing

## Coronavirus Policies And Staffing

---

- Communicate internal working procedures related to production, home working and self-isolation
- Ensure staff arriving on site follow recommended hygiene procedures
- Be aware of staff foreign travel arrangements
- Restrict visitors to your places of work and trade counters as appropriate
- Restrict taking payment by cash and use contactless instead
- Ensure you have sufficient equipment for staff to work from home and prioritise it to key staff
- Display 'No contact' policies on goods and services to reassure buyers and suppliers
- Update your returns procedures to determine how to handle goods being sent back
- Release a coronavirus statement to customers and suppliers

## Customer & Supplier Risk Audit

---

Go through your customer and supplier lists to see who is likely to be most affected and the impact they have on you if they stop buying and supplying.

- Check your key customers by type and geography
- Check your key suppliers and alternative supply chains
- Maintain contact with them to see how things progress
- Discuss how you can provide help and support to each other

## Quick Wins

---

- **Double-down on your digital marketing if your products are in high demand.**  
This may only last a short period. Analyse and act quickly.  
Consider stock rationing and protecting supplies to key accounts or contracts. Manufacturers selling through distributors and direct may also wish to hold onto stock to sell themselves. - [Check Your Top Products Report](#)
- Update product page templates with a link to your coronavirus 'no touch' policy - [Consider adding page banners, or a link in your product page template which links to a COVID-19 page you will set up](#)

- Implement alerts / monitoring for high value cart abandonments and follow these up - [You can check this in Order Manager. A new feature is being worked on to send automatic alerts over a set order value.](#)
- Add manned live chat to your site for immediate customer questions and feedback - [Consider this, especially with phone lines occasionally going down and more people at home with time on their hands.](#)  
Consider the free version of [Tawk](#) and Facebook Messenger.
- Add an 'expert answers' email Q&A system to product pages to capture and respond to enquiries - [This is available in our Premium Ecommerce package](#)
- Ensure product review emails are sent out - [Via Email Tasks or your external 3rd party review service.](#)
- Capture other leads and enquiries in a simple CRM system for sales to track and close - [If you have a manual system in place consider using our simple CRM system available in our Premium Ecommerce package.](#)
- Follow up existing leads quickly while staffing remains good - [If you have a manual system in place consider using our simple CRM system available in our Premium Ecommerce package.](#)

## Weekly 'War room' Analysis Of Performance Statistics

---

Set up a weekly 'war room' to analyse and share developing ecommerce trends with your management team for both week-to-week and year-on-year (like-for-like) fluctuations from demand and revenues through to fulfilment - [We are looking at this already for campaigns under our management. Contact us if you want us to provide this service for you.](#)

- Demand
  - Search demand
  - Website visits
  - Sales
  - Conversion rates and funnel analysis (for price comparison shoppers)
  - Movers and shakers in your product lines
- Customers and loyalty
  - Major accounts
  - At-risk groups
  - Home versus international markets (and exchange rate analysis)
  - Regular buyers
  - New on-board
  - Significant order analysis
- Supply and fulfilment

- Stock position
- Purchase ordering position
- Supplier performance and alternative sourcing
- Delivery performance
- Marketing
  - CPC
  - ROI
  - Spend re-allocation / doubling-down
  - CAC & LTV
- Product movers and shakers
  - Analyse products and categories to look for recent changes
  - Run promotions to shore up the 'shakers'
  - Think about which products are likely to be affected during a contracted lockdown
  - Adjust stock levels and production / ordering schedules accordingly

In addition to your ecommerce metrics the business will also naturally look at:

- Cash and spend
  - Regular debtors
  - High risk debtors
  - Creditors

## Price Monitoring And Promotions

---

Monitor competitor and distributor prices (if you are a manufacturer selling direct) so you can optimise your prices and promotions according to changing circumstances as businesses fight either for survival, to maintain or grow market share or to aggressively take out weaker rivals. - [Consider using our Price Comparison tool available in our Premium Ecommerce package.](#)

- Implement a price comparison tool
- Check your best sellers price position in the market
- Lower over-priced products where margins allow
- Ensure loss leaders are not over-priced
- Increase under-priced products to improve margin
- Focus on higher priced products to increase AOV (average order value)
- Adjust quantity price breaks to increase AOV

- Run in-cart deals to nudge up AOV
- Feed pricing intelligence into promotions to take more orders
- Adjust promotion frequency based on changes in competitor prices
- Follow up abandoned orders with extra promotions and/or feedback surveys
- Add promotion material into your dispatching process.