eBook

The Complete eCommerce Solutions Guide

A comprehensive guide to understanding eCommerce solutions and the evolution of Supply Chain Experience Management (SCXM)

logicbroker

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Introduction

Welcome to the Complete eCommerce Solutions Guide

Logicbroker's Complete eCommerce Solutions Guide is a first-of-its-kind whitepaper designed to give retailers, brands, suppliers, vendors, and more unique insight into the many facets of eCommerce and what solutions may, or may not be, viable for your organization. With thousands of tech partners, solutions, and definitions surrounding the eCommerce industry, we thought it was important to give a synopsis of the major benefits, considerations, and context surrounding how dropship, marketplace, and supply chain visibility tools intersect and form a complete experience.

It takes a village to make your eCommerce solution successful and scalable for future growth. While your team's Directors and Presidents focus on the customer experience and driving revenue, it's vital that your IT departments and your supply chain work closely together to focus on efficiency, security, and fulfillment. Discovering the intricacies of dropship, marketplace, and supply chain visibility solutions can give your teams the confidence to maximize a cost-effective solution built with partners, flawless implementation, and revenue generation.

In this whitepaper, you will discover the ways eCommerce solutions blend together to utilize the strengths of your internal teams and the partnerships you can form to strengthen your platform.

Defining eCommerce Solutions

For the purposes of this eBook, all applicable terms and definitions will be the textbook definitions for each eCommerce solution.

- **Supply Chain Experience Management** is the ultimate integration of supply chain software and customer experience management into one ultimate eCommerce solution.

- **Dropshipping** is defined as a way for retailers to fulfill orders without having to hold their own inventory.

- **Marketplace** solutions are a website, app, or eCommerce ecosystem that serves as a host to multiple sellers.

- **Supply Chain Visibility** is a unique way to gain complete transparency to the entire order lifecycle and visibility into current and future product availability.

It's important to note that these definitions are not universal. Many organizations may use these terms interchangeably with trademarked or marketing terms designed to hit targeted keywords.

DROPSHIPPING

MARKETPLACE

SUPPLY CHAIN VISIBILITY

Why Supply Chain Experience Management (SCXM)?

As Logicbroker evolved our offerings over the last 10 years, our customers discovered the intrinsic value of utilizing supply chain data to not only enhance their own eCommerce strategy but also dramatically improve the consumer experience. This is the foundation of Supply Chain Experience Management.

Visibility, compliance, and exceptional support are the lifeblood of traditional Supply Chain Management tools. They are unique network touchpoints from production to delivery. Traditional dropship and marketplace models integrate these tools effectively. However, after speaking with customers throughout the turn of the decade, it became apparent that customer experience needed to be more closely considered to not only address backend support but also speed, network reliability, accuracy, and security while creating solutions at scale.

Customer Experience Management, on the other hand, allows organizations to use metrics to improve their business through higher-quality interactions. Logicbroker married the two eCommerce tools and built a first-of-its-kind platform that not only improves the experience of your supply chain's participants but continues through the life of your customers.

Logicbroker's Supply Chain Experience Management Platform

	eCOMMERCE FOCUS	DC/STORE REPLENISHMENT	DROP SHIP	MARKETPLACE OPERATIONS	SALES CHANNEL CONNECTIVITY	SPEED OF ONBOARDING	CONNECTIVITY OPTIONS
logicbroker	✓	✓	✓	✓	✓	Minutes – Days	100%
Gen 1 EDI Providers		✓	✓		✓	Weeks – Months	25%
Gen 1 Retail Drop Ship Platforms	✓		✓			Weeks – Months	33%
Gen 1 Marketplace Operations Platforms	✓			✓		Days – Weeks	33%
Gen 1 Channel Aggregators	✓				✓	Weeks – Months	25%

Embracing SCXM in the Real World

As the economy continues to move toward a more conservative future and interest rates rise to combat inflation, eCommerce Expert and head of RMW Commerce Consulting, Rick Watson, said that organizations are going to need technology to focus on maintaining core customers with less emphasis in acquiring new ones.

"

As interest rates start to rise, priorities have to change. When you think about it, what is really important? It's the experience. The experience you can provide by having a well run supply chain, which is benefited by supply chain software, is important to the new narrative."

RICK WATSON
eCommerce Expert and Founder of
RMW Commerce Consulting

RMW Commerce Consulting

Over the last few years, customer acquisition costs have skyrocketed alongside marketing and ad placement costs. According to SimplicityDX, a research organization, organizations lose $29 for every new customer acquired. Up from just $9 in 2013. This 222% increase is part of the reason organizations must embrace a new wave of experience management. One focused on reducing mistakes, ensuring supplier compliance, and focusing on consumer experience rather than masking mistakes with new target demographics.

"

This is the front for your customers. They order something from your brand and expect to know where it is in the journey and arrive in good shape. The software that sits in the middle and orchestrates those things is critical. **At the end of the day, this is Logicbroker's DNA. They solve supply chain and eCommerce problems."**

JAY TOPPER
Chief Digital Officer at Chico's
Board Member at Logicbroker

chico's®

With a new focus, and SCXM at the front of our minds, Logicbroker set out to build an eCommerce platform that provides the perfect intersection of dropship, marketplace, and supply chain experience management tools. Our SCXM platform is the first of its kind in the industry, and one we are proud to share with the hundreds of retailers and thousands of suppliers in our network.

Logicbroker set out to build an eCommerce platform that provides **the perfect intersection of dropship, marketplace, and supply chain experience management tools.**
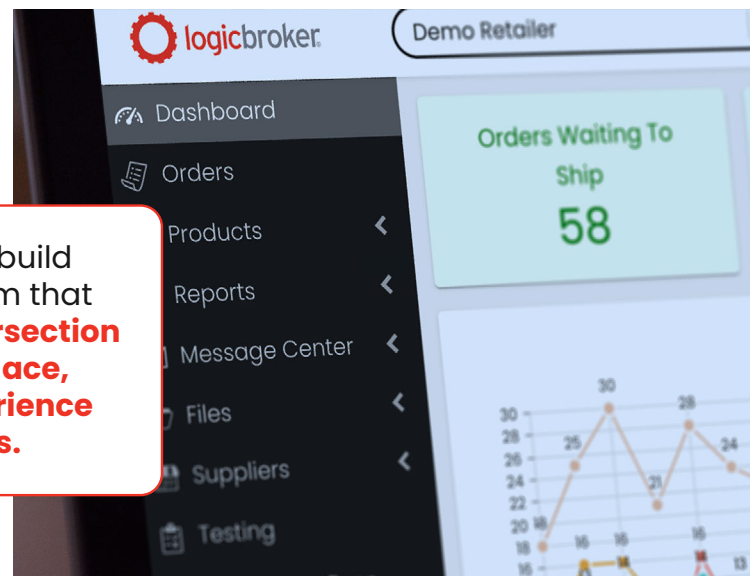
Dropshipping

Drop shipping is a way for retailers to fulfill orders without having to hold their own inventory. Instead, when a retailer sells a product, they buy and have it shipped to the customer from a third-party supplier. Organizations like Walgreens utilize dropshipping programs to expand their online assortment without needing to carry every SKU in their distribution centers.

Traditionally, the retailer's branding appears on the packing slip and packaging, so the end customer may never even realize the product isn't coming directly from the retailer.

According to market data from Statista, global dropshipping is forecast to reach $243.42 billion USD in 2023. While this may seem like a small drop in the bucket of the nearly $6 trillion global eCommerce market, dropshipping has long been used as a unique way around distribution center inventory challenges. Due to rising customer expectations and the need for convenience, dropshipping has become an increasingly popular solution with numerous benefits for retailers and brands.

> "A dropship model eliminates the owned inventory constraints and reacts much more quickly to customer demand. It's **an incredible environment to test suppliers and products at different price points.**"

JEFF MIKOS
Retail and Marketplace Strategy Lead at McFadyen Digital

MCFADYEN
DIGITAL

Disclaimer. All quotes from Jeff Mikos are from the webinar. "Best Practices For Expanding Your Retail Assortment" hosted in March 2023. To view the full webinar, please visit our website.

How Dropshipping Works:

CUSTOMER — Customer places an order from the retailer → **RETAILER** — Retailer outsources the order to the supplier → **SUPPLIER**

Supplier ships the order on behalf of the retailer, with the retailer's branding
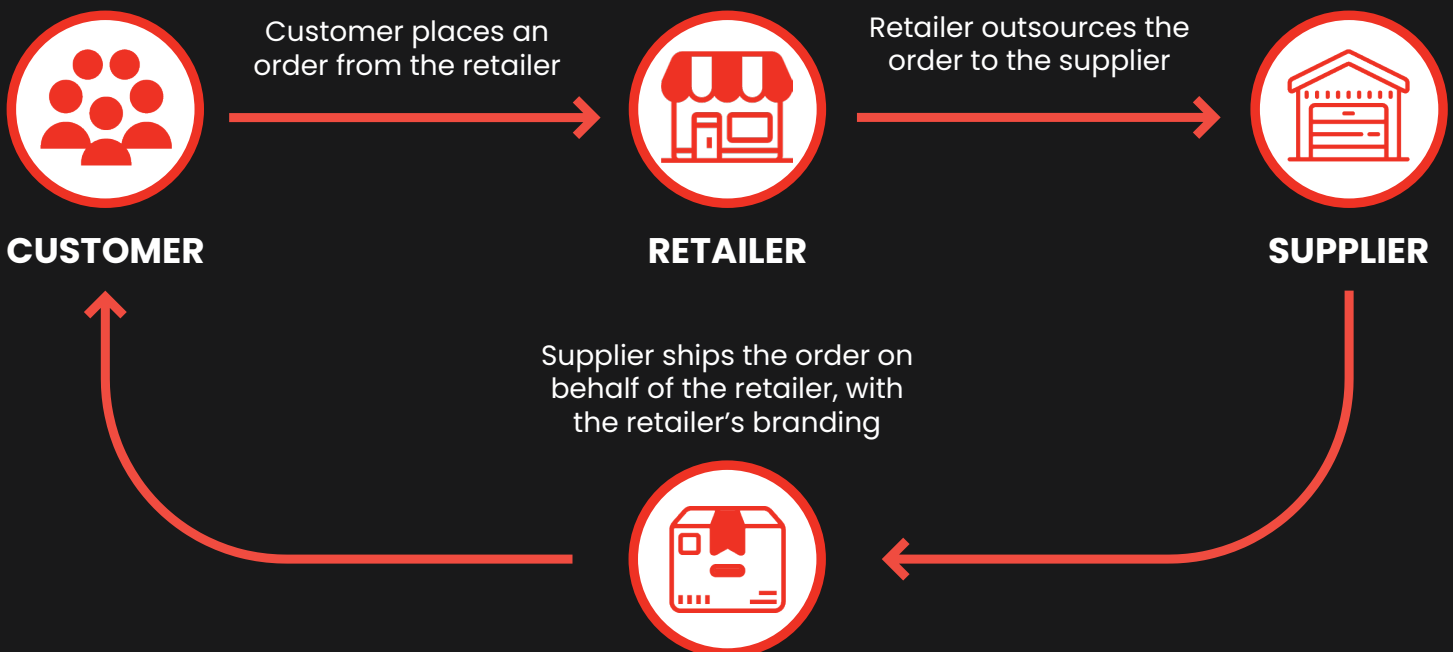
The Basics of Dropshipping

Like every solution, dropshipping has key benefits and challenges that make utilizing the solution unique to each individual operator. While most of these benefits and touchpoints consider how the operator, or retailer, is impacted by the solution, it's important for suppliers looking to explore dropshipping to see how retailers must balance their operations.

BENEFITS OF DROPSHIPPING:

1. Incrementally Expand

Drop shipping is the logical progression from owned inventory. As your organization expands and housing thousands of SKUs in warehouses becomes cost-prohibitive due to capital investment in inventory, and rising labor, warehouse, and tech investment costs, having a controlled eCommerce ecosystem with your top-performing suppliers fulfilling directly to consumers is a no-brainer.

Whether your warehouse and/or labor is at capacity, or you just want to test and learn with new products, retailers, and brands, retailers looking at assortment expansion often think of dropship due to a modern program's speed-to-market and unmatched flexibility.

> Drop ship is a good opportunity for retailers and consumer goods companies of any size to explore what a broader assortment looks like, to test and learn how those products succeed, and ultimately make decisions on if those high-selling, fast-moving products are worth developing [internally]. **Dipping your foot into the world of the marketplace via dropship is a very practical and pragmatic way to evolve toward a higher assortment of goods."**

MIKE EDMONDS
Sr. Director of WW Strategy, Retail and Consumer Goods at Microsoft

Microsoft

2. Embrace Supply Chain Resilience

Inventory availability is anything but secure globally. Microchip availability continues to impact almost every vertical, foam shortages are changing how furniture retailers source their most sought-after goods, and challenges in demand forecasting continue to puzzle even the most experienced specialists. And as more retailers run out of stock, consumers are left scrambling to utilize any and all websites to find what they were looking for.

Luckily, dropshipping helps resolve some of these major pain points. Through a finely curated selection of top-performing suppliers, coupled with your owned inventory selection, well-managed dropshipping programs allow retailers and brands to quickly pivot in the wake of supply chain challenges.

If one of your suppliers runs out of a top-performing product, your dropship program can easily fill the gap with a second and third supplier option, giving your consumers more choices without leaving your site.

Internally, this resilience extends through your owned inventory channels. If retailers sell out of a product you normally have well stocked in local distribution centers, a well-honed dropshipping program can easily let you automatically switch to supplier fulfillment making the transition as seamless and effortless for customers as they demand.

Disclaimer: All quotes from Mike Edmonds are from the webinar: "Best Practices For Expanding Your Retail Assortment" hosted in March 2023. To view the full webinar, please visit our website.

3. Maximize Control Without Changing Your Business

While expanding from owned inventory into dropshipping may feel overwhelming and disparate from product movement, dropship models actually give you a remarkable amount of control and fundamentally will not change your core business. Both dropshipping and owned inventory models operate the same financially. Both solutions are "buy low, sell high" models utilizing either your own or your supplier networks inventory.

In a well-crafted dropship model, retailers maintain responsibility for all customer-facing product windows. Customers will still rely solely on the retailer for product, price, promotion, and placement giving retailers looking to embrace new eCommerce solutions the control they need to manage their brand identity, ensure a well-rounded customer experience, and continue to provide the latest target products for their customers without changing their internal business models.

> It feels like a much more natural evolution. You're still the retailer responsible for product, price, promotion, and placement. Those are core functions of the retailer. **Drop shipping lets you leverage outside fulfillment while removing capital requirements."**
>
> **JEFF MIKOS**
> Retail and Marketplace Strategy Lead at McFadyen Digital

MCFADYEN
D I G I T A L

THINGS TO CONSIDER WHEN DROPSHIPPING:

1. Sales Limited to Supplier Inventory

While dropshipping opens up a whole new avenue of supply chain resilience, it also can be its biggest drawback. As suppliers lose inventory, shifting suppliers can be a burden to the team and forces you to evaluate if you should either:

○ Bring those products into owned inventory

○ Find more suppliers that sell the same or similar items

○ Understand when products will be back in stock to evaluate whether taking orders for out-of-stock products still makes sense as long as there is an accurate view of the estimated delivery date

Selling similar items has the benefit of providing your customers with a "close enough" match to their target, but could lead to troubles with brand loyalty down the line should suppliers continue to join or leave your network.
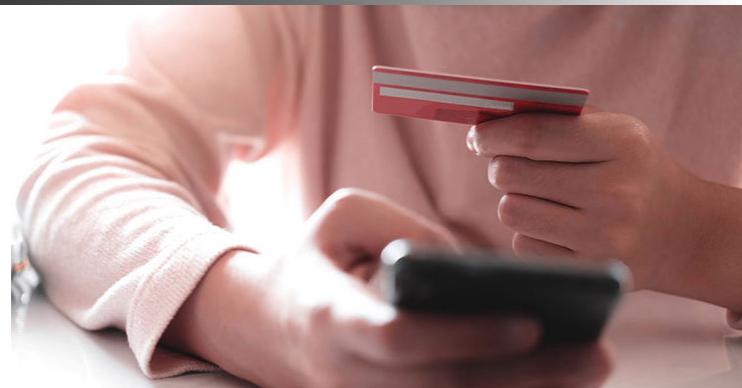
2. Digitally Native Brands May Be Hesitant to Join

In the age of social media influencers, many new suppliers are actually strictly digitally native brands. Even overseas organizations looking to capitalize on the latest trends may be focused solely on joining marketplaces like Amazon and Lazada to quickly sell products with fixed margins.

Digitally native brands are focused on four key points of control:

1. **They want to be paid quickly.** Drop shipping programs usually require several weeks of invoicing after the sale.

2. **They want full control of their product pricing.** One of the biggest retailer benefits dropshipping offers is also one of the largest pain points for digital-native suppliers.

3. **They want their brand front and center.** Typically, as they rise in social media they'd rather become the face of the product rather than the retailer.

4. **Drop shipping is seen as an EDI-focused selling environment.** Most new digitally native suppliers are focused on API integrations and may be hesitant to join a network utilizing EDI.

One of the more unique services Logicbroker provides is helping suppliers bridge the gap between embracing their digitally native status and connecting with more retail partners. Logicbroker helped Nanit both maximize its brand identity and connect with retail partners through various dropshipping programs to alleviate their concerns. With Logicbroker, Nanit has gained peace of mind, dozens of retail partners, and a renewed focus on growth.

3. Difficult Without the Right Tech

In a similar vein, implementing a fully functional dropship program with the wrong tech partner can be tedious, at best. There have been massive improvements with modern tech speeding up the supplier onboarding process with solutions like Logicbroker being able to onboard suppliers in under an hour. However, if the supplier requires an EDI connection, they may be held up by internal tech teams or third-party EDI providers, rather than your tech partner.

A tech partner's portal or broader set of integration options can speed this up and ease the burden of implementing both a dropship program and a visibility program as you continue to grow, all while your internal or third-party EDI providers catch up.

As the perfect real-world example, Walgreens' legacy dropship provider struggled to scale as the organization continued to grow. Switching to Logicbroker's API-driven platform, Walgreens dropship program gained the transparency, cost savings, and efficiency they needed.

With growth opportunities knocking at their door, and a full integration to NetSuite underway, Nanit migrated to Logicbroker's platform for a smoother, scalable, and automated retailer onboarding process.

20 New Retailer Partners

Automated Onboarding

Scalable Growth

Read the Full Story

Poised for major, continuous online growth, Walgreens traded its outdated dropshipping solution for Logicbroker's more agile platform. Walgreens migrated to the Logicbroker platform in under two months, overcoming vendor onboarding fees, cumbersome legacy software, and opaque reports.

6 Week Implementation

No Vendor Contracts

Agile Dropshipping

Read the Full Story

How Logicbroker Can Help

Your customers are expecting excellence throughout the buying journey. Whether they are buying a product that you have in stock or fulfilled by a dropship supplier, the path from website to door needs to be frictionless. Logicbroker's world-class dropshipping solution offers you the only B2B and D2C dropshipping tech partner on the market with industry-leading integrations and automation capabilities.

The reality of global supply chains is that things break. These breaks cost you time, money, sales, and, most importantly, customers. You don't need things fixed 2 weeks from now, you need things fixed today which is why Logicbroker created a unique white-glove support system built after a decade of open conversations with clients about what would truly help them grow.

Logicbroker's white-glove service is a two-part system that includes onboarding and vendor support coupled with file flexibility.

Users enjoy onboarding that can be done in hours, rather than days and file flexibility that includes connections via API, EDI, AS2, Portal, XML, or CSV including connections to the industry's largest tech platforms like Microsoft, ShipStation, Shopify, and Salesforce.

Drop shipping's first point of concern, that a retailer's sales are limited to their supplier's inventory, isn't a concern on Logicbroker's platform. While legacy providers take weeks to onboard new suppliers which could lead to important items remaining out of stock for months on your website, Logicbroker's white glove service, automated onboarding, and vendor tracking tools allow new inventory to reach your website before stock runs out.

Whether you are a retailer looking to maximize your dropshipping program, or a supplier looking to capitalize on the growth potential dropshipping provides, Logicbroker's proprietary suite of management tools helps you stay ahead of the game—and ahead of the competition.

Logicbroker's Dropship Solution

Customer places an order from the retailer

RETAILER

Logicbroker automatically communicates order information to the supplier

CUSTOMER

Supplier ships the order directly to the customer. Shipment data flows through Logicbroker, providing full transparency for the retailer

SUPPLIER

PRODUCTS
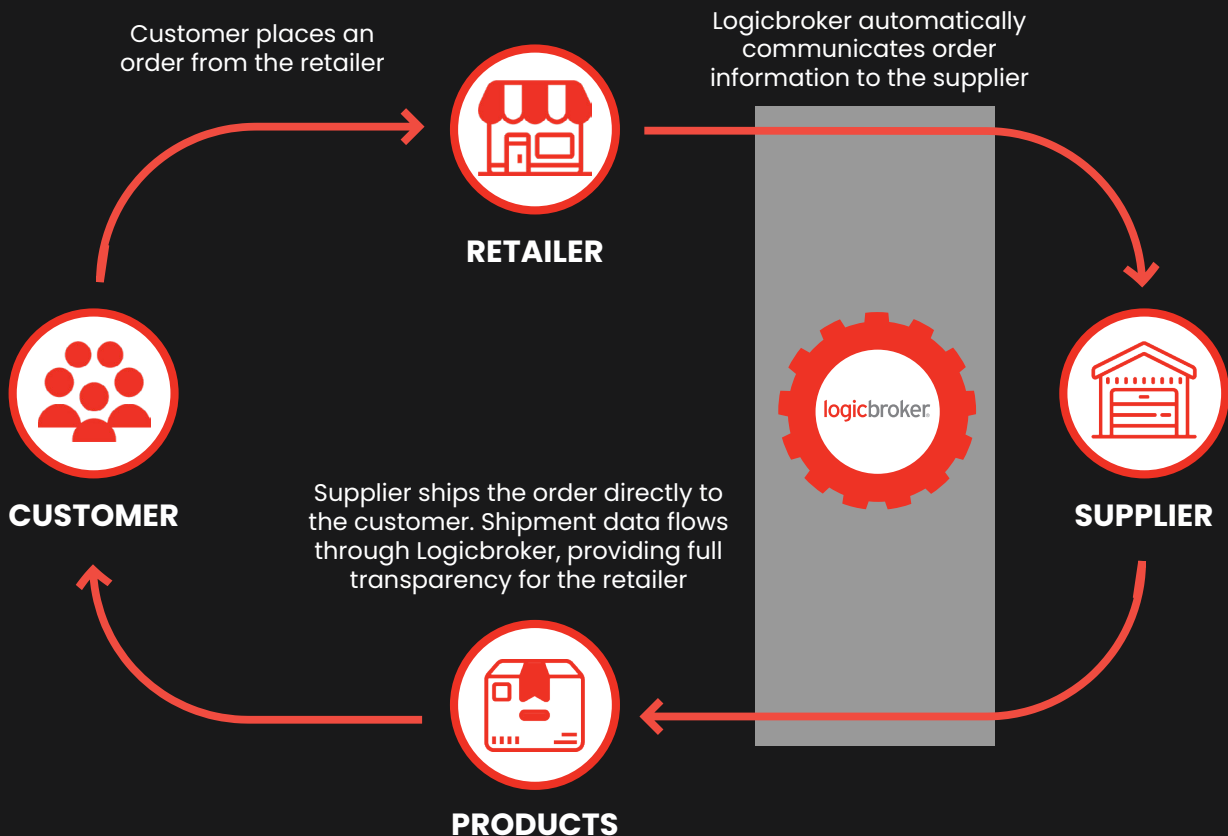
Marketplace

An online marketplace is a website, app, or eCommerce ecosystem that serves as a platform to host multiple sellers. The marketplace operator provides a place for sellers to offer their inventory and facilitate transactions. It's up to the sellers to fulfill each order.

eBay is the best-known example of a site that's purely a product marketplace. Amazon is the largest marketplace, although Amazon holds its own inventory of products as well. eMarketer found that U.S. eCommerce marketplaces sales hit a record $358 billion in 2022. This growth makes up nearly 40% of all eCommerce sales.

With the advent of advanced, cloud-based APIs and headless commerce, creating your own marketplace to host a variety of products that appeal to your targeted audience's preferences is no longer a daunting task.

A well-built marketplace with a variety of sellers delivers **a comprehensive one-stop shop.**

How Marketplaces Work

Customer places an order from the marketplace

CUSTOMER

MARKETPLACE RETAILER

SELLERS

DISTRIBUTION CENTERS

3PLs

Sellers ship products directly to the customer, with the seller's branding

SHIPMENT

> With the lowest margin dollars of the traditional eCommerce models, marketplaces surprisingly also **represent the largest potential for income.**
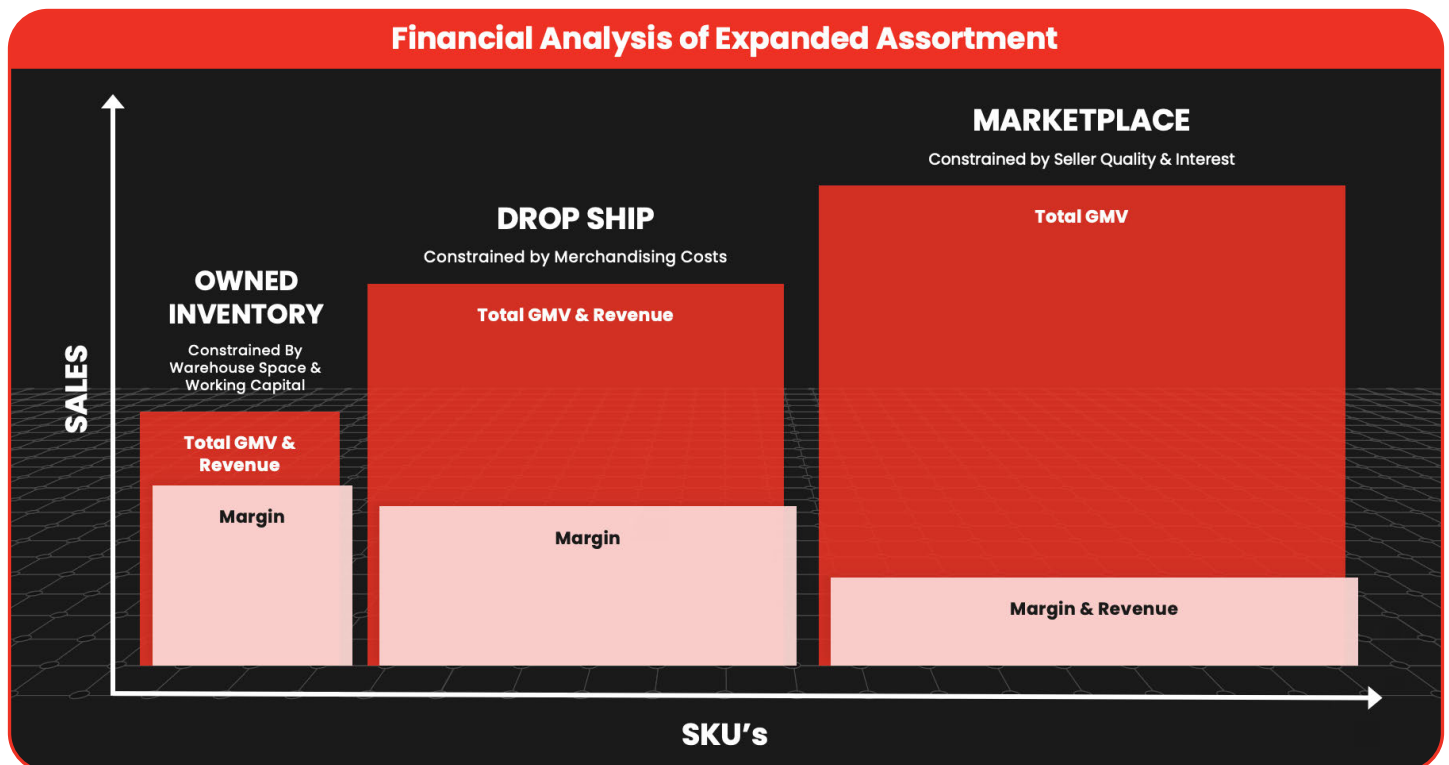
The Basics of a Marketplace

A well-built marketplace with a variety of sellers delivers a comprehensive one-stop shop. It can help build customer convenience, product selection, and repeat sales with a consumer all while keeping them active on your website. For sellers, marketplaces give them an opportunity to showcase their product's advantages over the competition, build brand awareness, and have full control over their pricing.

With the lowest margin dollars of the traditional eCommerce models, marketplaces surprisingly also represent the largest potential for income.

Marketplace represents a unique financial model. Where Owned Inventory and Dropship are "Buy Low, Sell High" business models, where your revenue is what you sell the product for and your margin is what you sell the product for minus the cost of goods sold; marketplace models are simply a platform for others to sell their own products, and you are just capturing a commission from each sale.

This dichotomy is also why understanding the benefits and challenges of a marketplace will help influence how your organization blends these solutions into your total eCommerce experience.

Financial Analysis of Expanded Assortment

SALES (vertical axis) — **SKU's** (horizontal axis)

OWNED INVENTORY
Constrained By Warehouse Space & Working Capital
- Total GMV & Revenue
- Margin

DROP SHIP
Constrained by Merchandising Costs
- Total GMV & Revenue
- Margin

MARKETPLACE
Constrained by Seller Quality & Interest
- Total GMV
- Margin & Revenue

BENEFITS OF MARKETPLACE SOLUTIONS:

1. Unmatched Speed-to-Assortment

Marketplaces, aside from being the most convenient way for retailers to quickly sell products online, are also very accommodating to vendors of all types. After building a marketplace, organizations can meet the market at the pace it moves. There are three key aspects of speed to market—onboarding, contract negotiations, and connectivity. With a marketplace built to your needs and specifications, these three time-consuming activities are now measured in minutes to hours, rather than days, weeks, and months.

With self-service onboarding options done in minutes, upfront contracts that are a simple yes or no proposition, advanced API capabilities that connect with virtually every system, and automated payment splitting, your newly developed marketplace should be seamless for both sellers and retailers.

2. Adaptable for Any Supplier or Trend

On the frontend of your marketplace, consumer trends are met in the blink of an eye. If there is a popular new product that fits your target audience's needs, you can onboard that seller faster than the trend can be worn out. Items like new phone cases, championship gear for your favorite football team, or trendy clothing can be loaded onto your marketplace faster than any other eCommerce go-to-market strategy. The reality is, retailers will be loading new categories, verticals, and products without any owned inventory liability.

Once those products are featured, advanced analytical tools can provide insight into how sellers are doing, what can be improved, and what products need to be removed or promoted.

3. Easily Blends With Additional eCommerce Solutions

Marketplace solutions are actually the perfect blended eCommerce model. While all eCommerce models acutely fit together, having an online marketplace coupled with your dropship and owned inventory models requires very little long-run overhead after the initial capital investment in technical oversight.

Products you wish to have on hand and with greater control can be kept in your owned inventory, fast-moving products with a higher risk of spoilage can be moved to a dropshipping model, and your marketplace can represent the rest of your expanded assortment. These three solutions together represent the core of how organizations like Amazon, Walmart, and Target have remained the largest retailers in the last quarter-century.

> When running a marketplace, if there is a popular new product that fits your target audience's needs, you can **onboard that seller faster than the trend can be worn out.**

THINGS TO CONSIDER WHEN UTILIZING MARKETPLACE STRATEGIES:

1. Prone to Mistakes

Due to the high volume of SKUs, coupled with the very high levels of competition in the market, many organizations choose to adopt the worst version of a marketplace (a "catch-all" marketplace) too soon. Instead of reaping the benefits of a well-curated, blended marketplace solution, they flame out their consumers with too many choices or too many low-quality choices.

One of the best examples of a finely curated marketplace, Orangetheory Fitness approached Logicbroker about integrating their existing connections into a customized B2B marketplace. Rather than attacking the entire fitness market at once, Orangetheory realized the value of curating their selection of goods to target their own businesses. In just a few weeks, Orangetheory integrated BigCommerce and improved vendor relationships with customized data processes and fast B2B Marketplace implementations all with Logicbroker.

Orangetheory improved vendor relationships, product offerings and customer experience while maintaining consistency across franchise locations.

BigCommerce Integration

Cost Savings + Consistent Wholesale Pricing

1 Quarter Go Live

2. Lowest Margin Dollars

As mentioned above, marketplaces also represent the lowest margins of all commonly used eCommerce solutions. As a marketplace operator, you are neither the seller of record nor the shipper, so revenue is limited to a commission taken on each sale which can often vary by product category.

Since the seller of record is setting the price of the product, careful attention needs to be placed on marketplace sellers to ensure they are not competing against products that you are selling and driving downward price pressure on your SKUs.

3. Customer Loyalty Can Be Unruly

Perhaps the biggest drawback that goes unmonitored is the customer experience. While thousands of SKUs can keep your audience interested in your website and locked into their search, non-curated selections can lead to quality control issues, navigation difficulties for customers, and overall uncomfortable customer experiences leading to drops in customer loyalty.

As more products come online unchecked, your loyal customers could choose to go to a more targeted website that matches their ideals, goals, or even beliefs.

Samsung overcame customer challenges by utilizing an advanced vetted supplier network and a finely curated Logicbroker marketplace. Samsung Global approached Logicbroker for global marketplace expansion and in under six weeks solved the ability to connect to marketplaces as a supplier as well as functionality to support bringing on suppliers to their own marketplace. Instead of being bogged down by an uncurated expansion, or trapped in a marketplace that is untested, Samsung honed its power as both a supplier and a retailer to scale in the market.

Samsung harnessed Logicbroker's curated marketplace solutions to expand globally as both a retailer and a supplier, overcoming customer and IT challenges along the way.

SAP Integration

6 Week Implementation

Live in 3 Global Regions

How Logicbroker Can Help

Building a successful B2B or D2C marketplace requires a reliable and flexible platform that can handle the complexity of multiple suppliers, products, and integrations. That's where Logicbroker comes in. As a leading provider of cloud-based integration and automation solutions, Logicbroker empowers businesses to connect with sellers, manage orders, and deliver exceptional customer experiences through a single, scalable platform.

With deep expertise in B2B and D2C eCommerce, robust API-first architecture, and an extensive network of pre-built integrations with eCommerce systems, leading payment providers, and major ERPs, you have a one-stop partner to seamlessly enable marketplace selling. Easily onboard new suppliers, manage product catalogs, automate order routing and fulfillment, and provide real-time visibility into inventory and shipping status.

But perhaps the best reason to choose Logicbroker as your marketplace partner is its commitment to customer success.

From onboarding and implementation to ongoing support and optimization, the Logicbroker team works closely with each client to ensure that their marketplace meets their unique business needs and delivers measurable results. So if you're looking to build a B2B or D2C marketplace that can drive growth, efficiency, and customer satisfaction, Logicbroker is the partner you can trust.

> **The ease of connecting with Logicbroker is an exceptional value that no other provider brings to the table.** It was a fantastic experience working with Logicbroker to quickly onboard with leading retailers. We look forward to expanding our partnership in the near future.
>
> **PAUL SUHR**
> EDI Coordinator at
> Jordan Manufacturing

Jordan
MANUFACTURING COMPANY, INC.

Logicbroker's Marketplace Solution

Customer places an order from the marketplace

Logicbroker remits order info + payments (minus commission fee for the retailer) to sellers and third parties/partners.

CUSTOMER

MARKETPLACE RETAILER

SELLERS

DISTRIBUTION CENTERS

Shipment data is visible to the retailer via Logicbroker platform

3PLs

Sellers ship products directly to the customer, with the seller's branding

SHIPMENT

Supply Chain Visibility

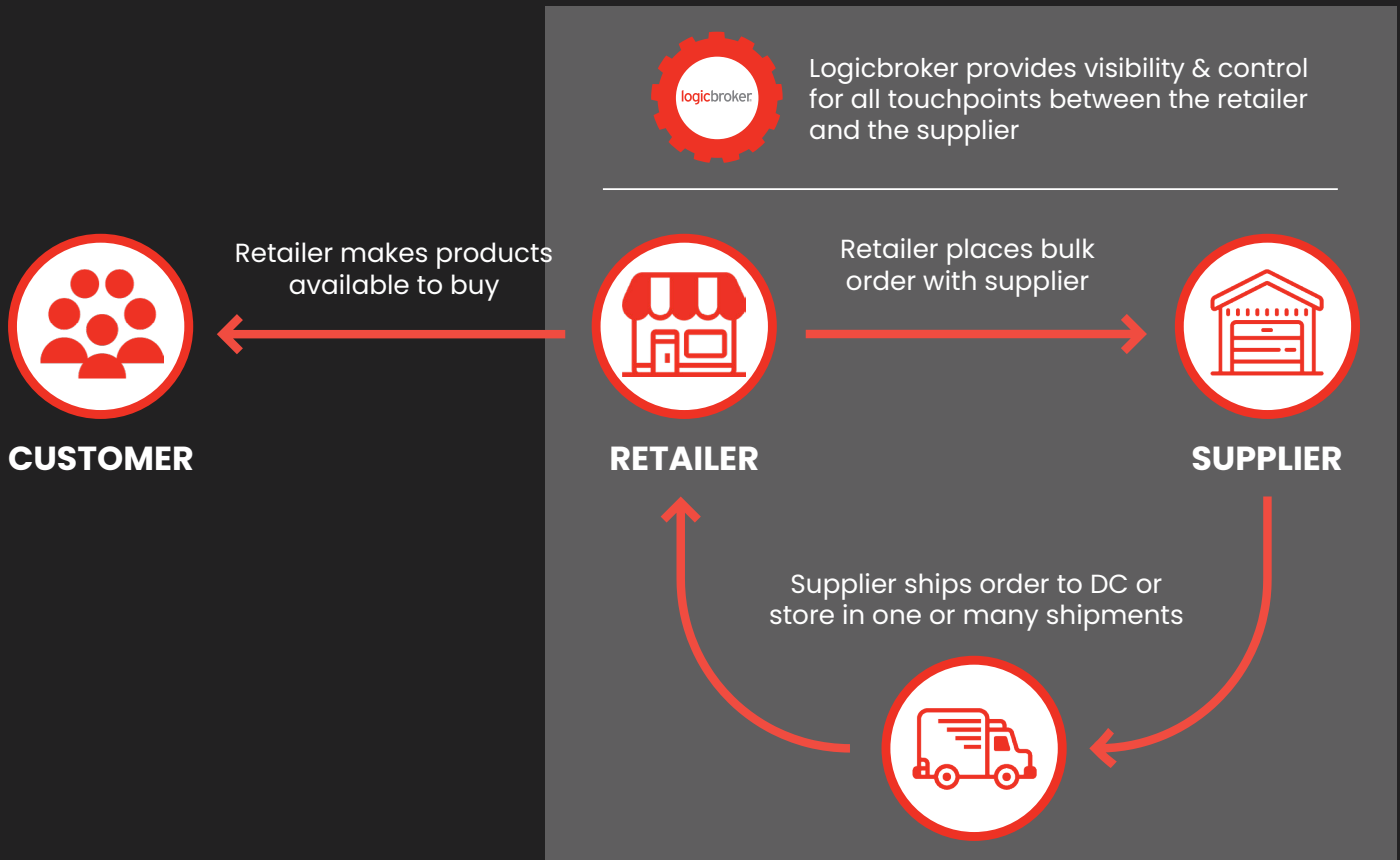If you're a retailer or distributor, the responsibility falls on you to make the customer journey successful. That journey starts with a healthy and well-functioning supply chain. B2B and D2C Supply Chain Visibility (SCV) offers order tracking and insights into inventory availability, back-orders, shipments, estimated ship dates, and vendor performance that let you know which pallets are going where, always.

With SCV, businesses can make informed decisions about inventory management, demand planning, and order fulfillment. They can also collaborate more effectively with their trading partners, improving communication and coordination across the supply chain. This leads to greater operational efficiency, reduced costs, and improved customer service.

A successful customer journey starts with **a healthy and well-functioning supply chain.**

Logicbroker's Supply Chain Visibility Solution

Logicbroker provides visibility & control for all touchpoints between the retailer and the supplier

Retailer makes products available to buy

CUSTOMER

Retailer places bulk order with supplier

RETAILER

SUPPLIER

Supplier ships order to DC or store in one or many shipments

B2B versus D2C

While supply chain visibility is essential for both business-to-business (B2B) and direct-to-consumer (D2C) businesses, the specific challenges and requirements can vary significantly between the two.

In a B2B context, SCV is often focused on managing relationships with suppliers and ensuring timely and accurate delivery of goods. This requires close collaboration with suppliers and other trading partners, as well as real-time tracking of inventory levels and order status. B2B SCV also involves managing complex supply chains that may involve multiple tiers of suppliers, each with their own processes and systems along with labeling to track products as they move from location to location.

On the other hand, D2C supply chain visibility is more focused on meeting the demands of individual customers. D2C businesses must be able to manage a large volume of smaller orders, often with customized products or packaging.

This requires real-time inventory management, flexible order fulfillment options, and the ability to track orders and shipments from end to end. D2C supply chain visibility also involves managing the last mile of delivery, which is often the most critical and challenging part of the supply chain.

Another key difference between B2B and D2C SCV is the level of complexity. B2B supply chains tend to be more complex, with multiple tiers of suppliers and a larger number of products and SKUs. This complexity requires robust data management and analytics capabilities to ensure accurate and timely decision-making. D2C supply chains, while less complex overall, require greater agility and flexibility to meet the demands of individual customers. In either circumstance, Logicbroker has built SCV tools that can help your organization stay on top of all supply chain challenges as products move throughout the United States and abroad.

D2C supply chain visibility is focused on meeting the demands of individual customers, requiring management of a large volume of smaller orders.

B2B supply chain visibility is often focused on managing relationships with suppliers and ensuring timely and accurate delivery of goods.

How Supply Chain Visibility Impacts Your Organization

As a real-world example, Logicbroker customer Babylist, a baby registry experience that focuses on customer satisfaction, pulls thousands of products from hundreds of vendors to build comprehensive registries for consumers looking to stock up on essentials during their pregnancy. One of the largest challenges the team faced when building the website was the nature of pregnancy—customers needed secured inventory for the duration of the pregnancy for baby showers, nurseries, planning, and more.

Babylist relies heavily on a dropshipping model. While an effective solution for building an endless aisle and staying flexible, dropshipping could not guarantee that soon-to-be parents, or those buying gifts for the parents, would have a crib, diapers, or toys, when they would need it.

B2B supply chain visibility ensures that organizations like Babylist gain much-needed insight into every distribution channel. Now, Babylist supplements its successful dropship program with a network of 3PLs to store high-demand/long lead time items, pool those products into distribution centers, and ensure product availability when parents need them most.

Chico's Chief Digital Officer, Jay Topper, said that as retailers move products across the country to various distribution centers, customers now more than ever need to know their products will arrive on time. Supply chain visibility offers customers and retailers a perfect way to track from point of origin all the way to a customer's doorstep without falling behind on supply.

Customers want to know where their products are. You can watch products wind [their] way around the city on Doordash. That's true transparency. That's what Logicbroker provides their customers. Customers want to know more and more about the construct of a product, not just where it is. Companies need to start from the very beginning and get a true end-to-end experience."

JAY TOPPER
Chief Digital Officer at Chico's
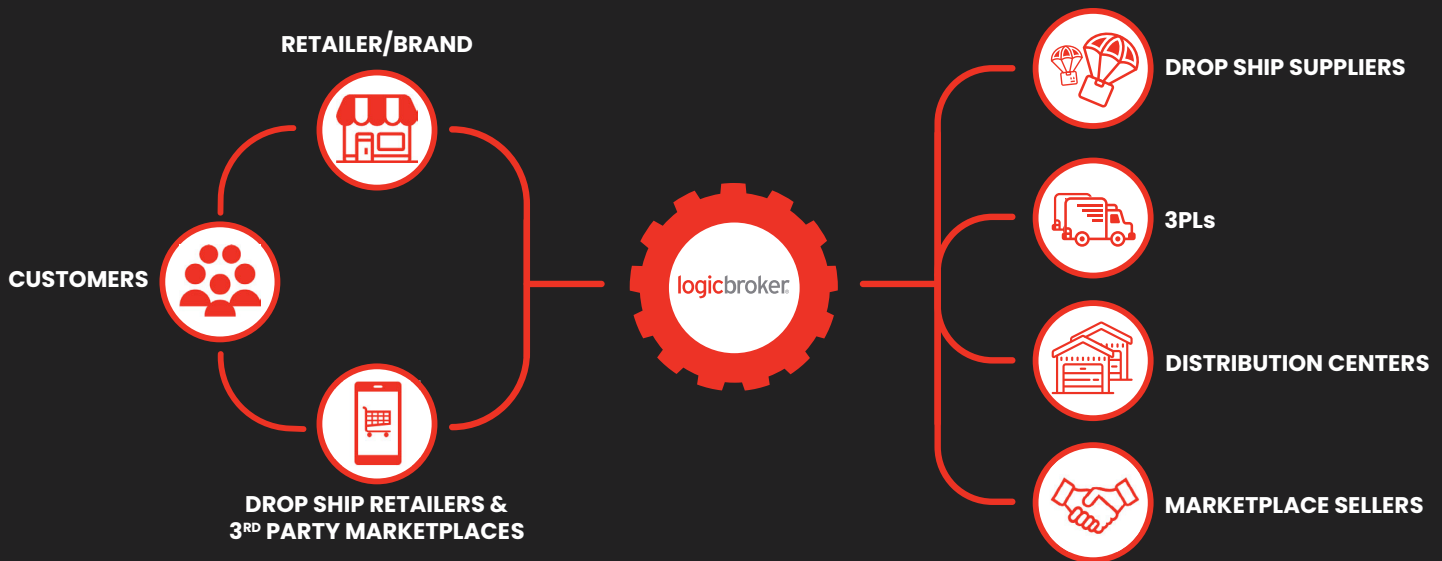Board Member at Logicbroker

chico's

Babylist launched a successful dropship program with Logicbroker, and now enjoys the benefits and insight of our B2B Supply Chain Visibility solution.

104 Dropship Vendors

11K+ SKUs

$40M GMV

One Comprehensive Solution

RETAILER/BRAND

CUSTOMERS

DROP SHIP RETAILERS &
3ʳᴰ PARTY MARKETPLACES

logicbroker

DROP SHIP SUPPLIERS

3PLs

DISTRIBUTION CENTERS

MARKETPLACE SELLERS

Building a differentiated eCommerce experience tailored to your customers is *essential* for businesses that want to stay competitive in today's fast-paced digital landscape. Unfortunately for those looking to grow their market share in the industry, there is *not* one definitive way to win.

With so many options available to consumers, a one-size-fits-all approach to dropship or marketplace solutions is no longer effective. Simple eCommerce solutions will leave you trailing behind your competitors. The days of choosing an eCommerce model to comply with tech providers' limitations are gone. You need a partner that is flexible, able to pivot, can scale with your organization, and provides the visibility you need to grow your customer base. Businesses need to create a personalized and seamless online shopping experience that meets their customers' unique needs and preferences through proven hybrid models that embrace different fulfillment models.

Customized eCommerce solutions enable businesses to streamline their operations and reduce costs through targeted goals, maximized supply chain experiences, and customized customer experiences. Don't get hung up on what features each platform delivers. Look for and craft a solution that allows you to outpace your competition and delights your customers. Typically, these custom solutions are built through a hybrid approach. This will help differentiate you from your competitors and build strong customer loyalty to a brand committed to providing the best possible eCommerce experience.

To build the most effective solution, it's imperative that your organization begins considering a multi-tiered, one-platform approach.

It's imperative that your organization consider **a multi-tiered, one-platform eCommerce approach.**

Dropship, Marketplace, and Supply Chain Visibility On One Platform

A complete eCommerce solution that encompasses dropship, marketplace, and supply chain visibility offerings will bring a wide range of benefits to businesses of all sizes and industries. The reality is, all retailers (as well as most brands and suppliers) are competing in some way with the titans like Amazon, Walmart, and Target.

By integrating your eCommerce capabilities into a single platform, businesses can optimize their operations, increase profitability, and deliver exceptional customer experiences.

"You'll never have more assortment than Amazon or more product options or the negotiating power. What you can do to beat somebody like Amazon, however, is **provide an amazing customer experience.**"

STEVE NORRIS
VP of Digital Commerce at Logicbroker

Your dropship program with Logicbroker will enable your business to expand its product offerings without having to hold inventory or manage logistics. Your marketplace solution will enable you to partner with third-party sellers and expand your reach and customer base. And finally, your supply chain visibility solution enables loyalty, predictability of delivery, and customer satisfaction, all adding up to a best-in-class eCommerce solution.

By combining dropship, marketplace, and supply chain visibility capabilities into a single eCommerce solution, businesses can optimize their operations and deliver exceptional customer experiences—which is what eCommerce is all about.

Margin Control

Owned Inventory

Fast Moving Products
Products with **scarcity or long lead times**
Significant bulk buying **discounts**

Drop Ship

Strategic products that expand core assortment & existing categories
Products with **high negotiated margins**
Products **requiring merchandising to be eCommerce ready**

Marketplace

Products that are **new and trending**
Products **outside of existing categories**
Products **from digital natives** that prefer marketplace model

Margin Control, and the benefits surrounding an interwoven eCommerce solution, are your key advantages when competing in a very aggressive marketplace. Amazon, Walmart, and Target have already built their solutions on the backs of controlling owned inventory through strategic distribution centers, dropshipping the products that customers need most, and utilizing their catch-all marketplaces to expand their assortment into target categories.

Moving products to different eCommerce models ensures that margins are well considered. During economic headwinds, where inflation is high, costs are increasing, and there is a finite amount you can charge for something before demand is impacted, tracking your product margins, understanding what products should be in what system, and utilizing the advantages eCommerce platforms like Logicbroker provide retailers and brands can make all the difference.

Embracing Product Movement

Product movement is the backbone of a blended solution. Logicbroker's inventory and supply chain visibility tools allow you to quickly reevaluate specific SKUs, suppliers, or retailers as you determine your best strategies. Ultimately, product movement between your marketplace, owned inventory, and dropshipping solution can be broken down into two key movements:

1. When selling on a marketplace, there is a finite amount of commission you can charge that is almost exclusively based on what your competition is charging. While retailers and suppliers can't often compete with Amazon, what they can do is move targeted SKUs into a dropshipping solution that allows for better margins.

2. As products move through your dropshipping environment, utilizing a supply chain visibility offering gives retailers a competitive advantage to explore B2B eCommerce options through bulk inventory movement. Shifting fast-moving products into your owned inventory will lead to both increased margins and even greater control over the total customer experience.
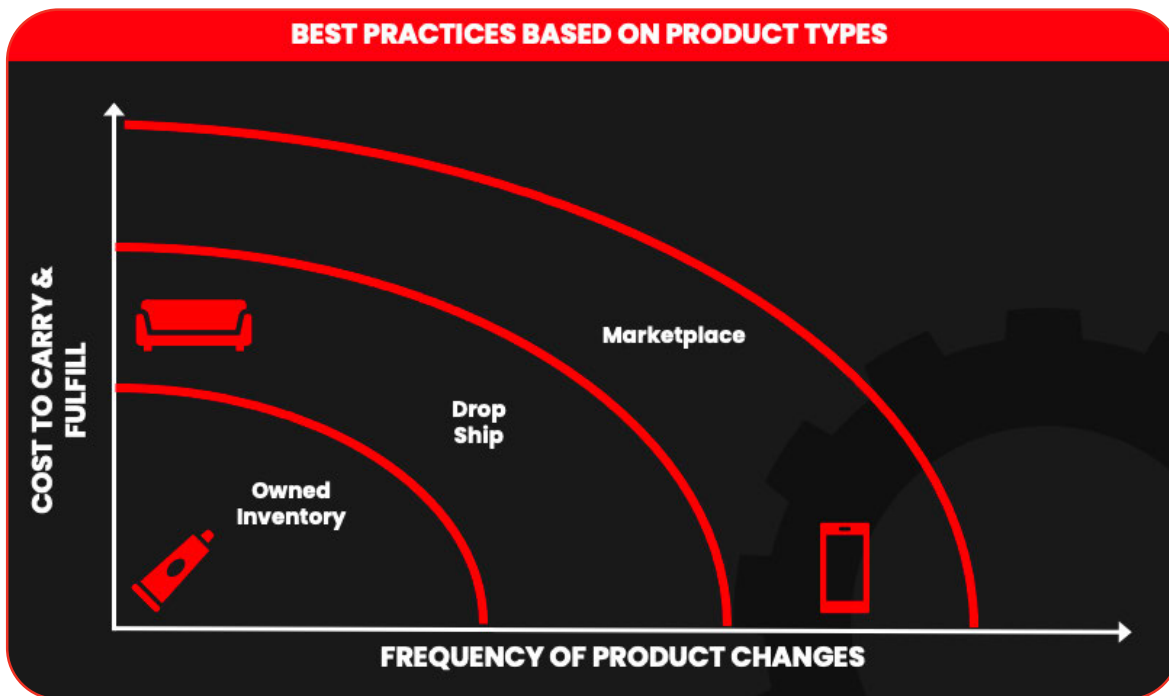
> **I don't want to fill my warehouse with stuff that's not selling.** Ideally what I have in the warehouse are my fastest-selling products or products with supply chain issues that you're buying during periods of limited supply."
>
> **STEVE NORRIS**
> VP of Digital Commerce at Logicbroker

Due to the large volume of product pages, owned inventory, and order management requirements, utilizing these benefits on multiple platforms would be counterintuitive to success. Just because your inventory isn't owned doesn't mean you shouldn't have accurate, real-time visibility into your supplier's inventory. With one comprehensive platform, managing margins and controlling your own destiny as a retailer, brand, or supplier gives you the flexibility you need to succeed, regardless of the economic climate or eCommerce solution.

BEST PRACTICES BASED ON PRODUCT TYPES

COST TO CARRY & FULFILL

Marketplace

Drop Ship

Owned Inventory

FREQUENCY OF PRODUCT CHANGES

Who is Logicbroker?

Logicbroker is the premier Supply Chain Experience Management (SCXM) eCommerce platform.
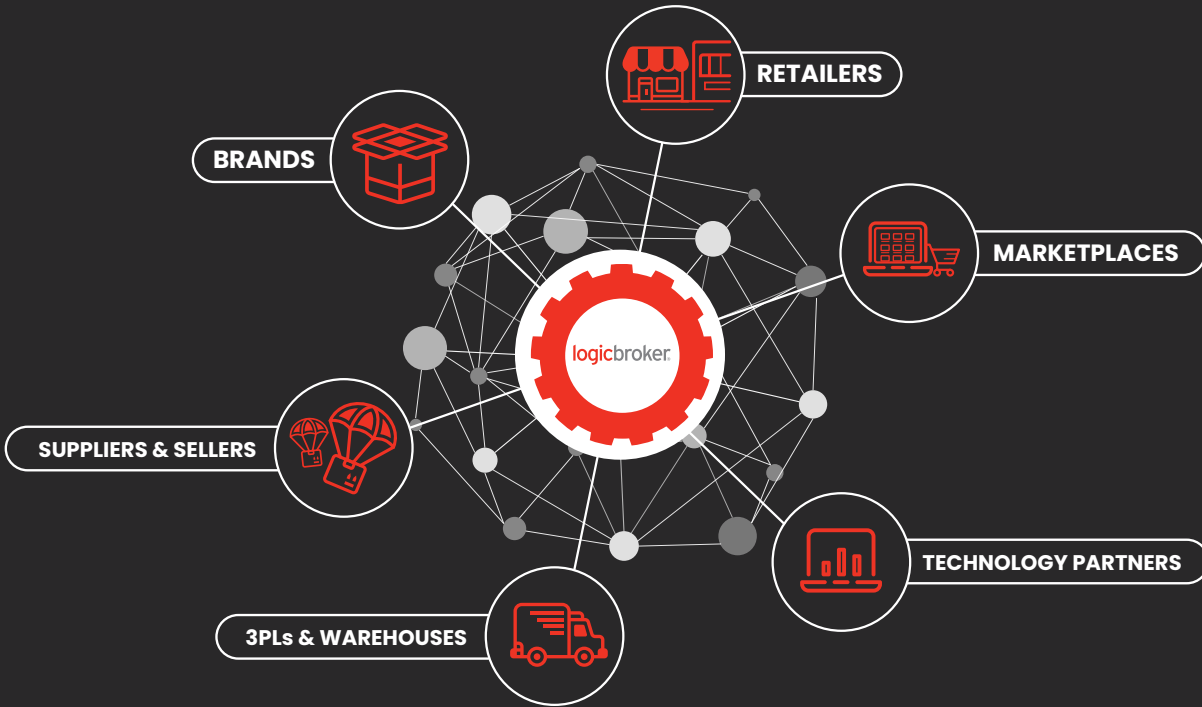
Our unique B2B and D2C offerings give manufacturers and retailers a single source of truth for their supply chain, yielding real-time visibility and communications, higher compliance rates, and lower transaction costs. Through Dropship, Marketplace, and Supply Chain Visibility solutions, we help you achieve supply chain excellence and evolve your complete customer experience.

While Logicbroker is the *only* eCommerce platform on the market that can provide scalable solutions for the three largest eCommerce fulfillment strategies, our organization has adopted a broader focus on providing exceptional customer service.

After a decade of business, Logicbroker has redefined what it means to be a technology partner. With comprehensive, scalable Dropship, Marketplace, and Supply Chain Visibility offerings, Logicbroker couples its white-glove onboarding and superior customer support service with advanced eCommerce solutions that can all be run through an industry-leading platform that takes your eCommerce program to the next level.

> Logicbroker helps companies grow by creating ways around the market. But **ultimately customers come to Logicbroker to refine their eCommerce solutions.** My vision for the organization, and what we've accomplished, is that Logicbroker exists because we truly want to help. We don't focus on one segment. We focus on a complete eCommerce platform that solves every issue."

PEYMAN ZAMANI
Founder/ Board Member at Logicbroker

> The way Logicbroker comes in and enables a middle tier between companies and suppliers is graceful. Technology is sexy. When you have good technology it matters. **The 'I don't care as long as it works' approach is wrong. You want it to be flexible, nimble, and scalable**. You need a team of people managing it that you have ready access to and even getting involved in the road map. When I spent time with the Logicbroker team, it becomes clear that's how they approach their customers. They get in sync with the IT departments."

JAY TOPPER
Chief Digital Officer at Chico's
Board Member at Logicbroker

chico's

4,000+
companies use Logicbroker to drive eCommerce fulfillment

9.2 billion
transactions and growing

$6.3B GMV
transacted through Logicbroker every year

100%
uptime even during peak demand periods

Helping Customers the Right Way

Logicbroker was founded on the concept of customer participation. Through industry-leading conferences like Connected Commerce, numerous webinars held each year by our product and partnership teams, and countless hours spent in listening sessions with customers, Logicbroker evolves products based on what customers actually want.

At Logicbroker, innovation is at the core of our offerings. Innovation doesn't only mean new gadgets or new pieces of software, it means building a scalable solution that evolves overtime while maintaining the seamless customer service we are known for.

Once our solutions are implemented and customers are onboarded, they aren't left with an automated ticket system. Everyone from our CEO down to support specialists are available for insights, troubleshooting, and help as you scale your business to meet demand. With a dedicated Client Success Manager, Logicbroker ensures that we have your back with high- and low-level insights, data, and analytics through a variety of support and insight tools built into the Logicbroker platform.

With powerful data and a trusted partner, Logicbroker's powerful ecosystem is the only eCommerce platform designed to not only grow your organization but scale it for all future projects.

> We don't have a crystal ball. We don't live in a bubble. We are collaborative with our customers and even give our customers a constant face-to-face representative with our Client Success team. **With over $6 billion in GMV moving through our platform, we can watch trends and scale our products to better meet the rising demands of our network.** That's the core of our innovation."

PEYMAN ZAMANI
Founder/ Board Member at Logicbroker

Taking the First Steps

It's time for your organization to sit down and plan your next steps. Understanding the level of complexity dropship, marketplace, and supply chain visibility tools have to offer, and the value of creating a hybrid system built to your strengths isn't the only thing you can do.

Open lines of communication are vital. Reach out to retailers and brands who have built eCommerce platforms that you're hoping to emulate, and, once there is a clear goal in mind, sit down with tech providers for insight into how your program would look, what your ROI would be, and how exactly eCommerce solutions, whether it's Logicbroker or not, can help shape your data and revenue strategies.

Supply Chain Excellence™

There are five key stages to achieving Supply Chain Excellence—**Resolving Ad-Hoc and Manual Processes, Connecting to our Network and Achieving Supply Chain Visibility, Reaching Unmatched Compliance and Technology Standards, Predicting Product and Supplier Outcomes, and Improved Customer Promise and Retention.**

Below is a comprehensive explanation of what these five stages mean, and how checking your organization against these stages will help you achieve Supply Chain Excellence™.

1. Resolving Ad-Hoc and Manual Processes

For many companies, only their top few suppliers are connected, and there is no system of record for connecting and managing their suppliers across their entire operations. The presence of data is an afterthought, and gathering it is a monthly chore rather than a feature of the system. This is the first stage we look at with organizations looking to embrace both the benefits of SCXM and a new eCommerce solution in general. Logicbroker works closely with customers to explore new and innovative ways to help them out of this stage.

Real-World Example

Organizations like BBQGuys were onboarding and managing their suppliers through an internal, manual process. After switching to Logicbroker, with better communication tools, more visibility into vendor documentation, and increased efficiency, BBQGuys now works on providing the best backyard experience for consumers.

A leading industrial distributor saw a **90% reduction in manual receiving tasks** after switching to Logicbroker.

2. Connecting to our Network and Achieving Supply Chain Visibility

Real-time visibility is the linchpin of your customer experience because now you know the status of every product, every order, where it is, when and how much is coming, and when you can promise it to your customers. Once an organization signs on with Logicbroker, our primary focus is working through this second stage of Supply Chain Excellence.

Real-World Example

When Wine Enthusiast reached out to the Logicbroker team, they were struggling internally to upgrade their backend systems to scale their eCommerce program. With Logicbroker in place and a stable connection to NetSuite set up, Wine Enthusiast was able to ensure both B2B and B2C orders were seamlessly exchanged to meet SLAs and maintain accurate inventory. These connections enabled Wine Enthusiast to move to

Logicbroker connects Wine Enthusiast with big retailers like:

BED BATH & BEYOND®   wayfair®

COSTCO WHOLESALE

3. Reaching Unmatched Compliance and Technology Standards

Once a comprehensive set of rules and standards is established for your supply chain experience management software, it's time to embrace the new way of customer experience management tools and successes. What are the minimum expectations to be a participant in your supply chain? How can you raise the bar here? These standards form the foundation of a customer experience built on software, and automated, rather than manual processes.

Real-World Example

Reducing an organization's Full Time Employee (FTE) requirements is at the core of Logicbroker's processes. In October 2021, Forrester released a Total Economic Impact (TEI) study that found that not only did Logicbroker's dropshipping program lead to a 547% ROI, but our automated processes reduced the average retailer's FTE load by three. As organizations work to move through these key processes, our ability to craft a solution that allows retailers and suppliers alike to reduce their input costs and enjoy a greater ROI are two of the many reasons companies choose to partner with Logicbroker.

3-YEAR RESULTS
with Logicbroker

SOURCE: A FORRESTER TOTAL ECONOMIC IMPACT™ STUDY COMMISSIONED BY LOGICBROKER

547%
ROI
(Return On Investment)

$5.1M
BENEFITS NPV
(Net Present Value)

<6 month
PAYBACK
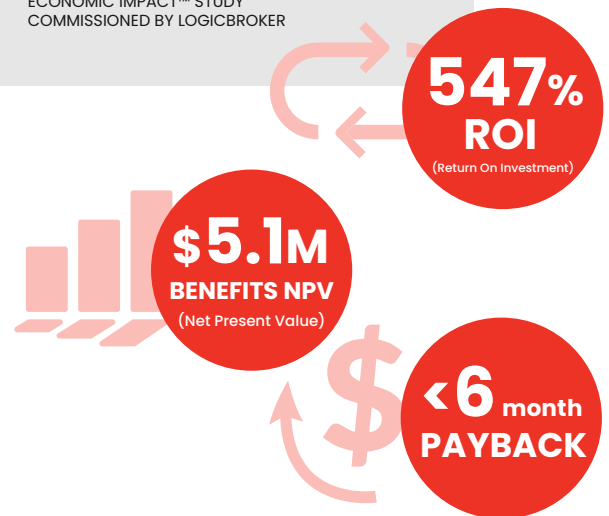
4. Predicting Product and Supplier Outcomes

Once you have a compliant supply chain, you can start to predict outcomes before they happen with a high degree of accuracy, and route orders to the supply chain participants with the highest predicted outcomes, as measured by customer satisfaction and profitability. Once your organization makes it to this stage, uncapped growth is on the horizon. Predictability is synonymous with survivability as uncertain supply chains, economic headwinds, and changing customer trends challenge your organization. Once you make it to this stage, the possibilities are truly endless.

Real-World Example

When Nanit joined the Logicbroker family, internal, manual processes not only dragged down their ability to scale but hindered profits across the organization. Now, with a fully comprehensive supplier flow in place, Nanit enjoys a "peace of mind" that they previously did not have.

"It's a great partnership. **It's so refreshing to not think about issues."**

DENISE TEDESCO
VIce President of Systems
Management at Nanit

5. Improved Customer Promise and Retention

If you can reliably predict your supply chain's performance, you can now begin to promise this to customers with high reliability and consistency. A high degree of predictive accuracy is the key difference between having a performant supply chain and having a performant supply chain that your customers trust at every touchpoint in their purchase journey.

In Stage 5, businesses begin to engage their "flywheel," which will power self-reinforcing profitability and sales growth. Those world-class customer experiences are delivered through a combination of factors. The "flywheel" reminds us that each step in the stages towards excellence is critical to earning customer satisfaction.

IMPROVED EFFICIENCY

INCREASED SALES

BETTER SERVICE

These five stages represent key investments. Investments you make in improving efficiency allow you to deliver better service. As your customers see that you can consistently deliver better service, you win a greater share of wallet, which gives you more funds to invest in efficiency improvements. And the cycle continues.

Real-World Example

For FULLBEAUTY Brands, the cycle began when they signed on with Logicbroker. After onboarding in just five weeks, FULLBEAUTY added 13 sellers and nearly 30,000 SKUs to their blended marketplace and dropshipping solution. Utilizing Logicbroker's automated onboarding portal, their organization can now focus on providing the items their customers want, rather than scrambling to internally manage their eCommerce programs.

This is software that is important. It affects the experience for consumers, suppliers, brands, everything."

RICK WATSON
eCommerce Expert and Founder of
RMW Commerce Consulting

Following these steps aren't the only checks your organization will need to make, but they can help guide you on your path toward both a more stable supply chain and customer experiences that **blow your competition out of the water.**

Conclusion

Whether you're looking to launch a new eCommerce solution or an established retailer seeking to improve your eCommerce strategy, there are many solutions available to meet your needs across the digital landscape. From dropship through advanced analytics and visibility tools, eCommerce doesn't stop at a product page on your website.

What is clear, however, is you cannot afford to wait. Reach out to Logicbroker today to join a network of thousands of eCommerce experts working closely together through working sessions, office hours, and Connected Commerce Forums to build a better, more customer-facing eCommerce ecosystem.

About Logicbroker

Logicbroker is the premier Supply Chain Experience Management (SCXM) eCommerce platform. Our unique B2B and D2C offerings give manufacturers and retailers a single source of truth for their supply chain, yielding real-time visibility and communications, higher compliance rates, lower transaction costs, and exceptional customer experiences. Through dropship, marketplace, and supply chain visibility solutions, Logicbroker processes $6.3 billion in GMV each year and can help your organization achieve Supply Chain Excellence.

Our integrated suite connects all participants of an organization's supply chain regardless of the type of business model: owned inventory, dropship, or marketplace. We work with mid-market and Enterprise manufacturers and retailers across a number of verticals including Health & Wellness, Home Improvement, Consumer Electronics, Toys & Babies, and Consumer Packaged Goods and service brands such as Samsung, Victoria's Secret, The Vitamin Shoppe, Walgreens, Ace Hardware, BBQGuys, and RiteAid.

Ready to achieve Supply Chain Excellence?

GET IN TOUCH   **EXPLORE SOLUTIONS**