

## Q ■ What challenges have you experienced in selling your product via e-commerce—and how did you overcome them?

### **Madeline Haydon, founder, nutpods**

E-commerce was a game changer for us. Our initial plan was to launch in 12 pilot stores and sell on Amazon. Shortly after getting into PCC Natural Markets, in Seattle, we appeared on Amazon, and sales of nutpods non-dairy creamers just blew up. It quickly became a best seller and went out of stock.

Running out of stock on Amazon can have a punitive effect on your business. Your rankings go down, you can't participate in promotions, and even worse, you lose the attention of potential new customers. [We reassessed our next move and] stepped back from opening new stores. That was hard; we were eager to get into more chains, but we couldn't add to the stock-out potential.

We quickly ramped up production to allocate more inventory toward Amazon. But even so, for a new business, it could be a week or two before a full truckload is ready and pulls into Amazon's warehouse. It was difficult.

But the benefits of being successful on Amazon were worth it. We gained over 2,200 reviews in under two years. Now a retailer can look at our reviews and see that we're a successful brand, and we've seeded customers in their area.

Today, we send full truckloads to Amazon—multiple at a time—so stocking out is no longer an issue.

### **Kevin Irish, ecommerce sales manager, Bob's Red Mill**

Bob's Red Mill products both are—and aren't—ideal for e-commerce. We offer a shelf-stable line of grains and flours with no expiration dates less than one year. But many products are both heavy and inexpensive. With all product being shipped from our Oregon headquarters, shipping a \$3.79 5-pound bag of flour to New York can be

costly. We try to overcome this by incentivizing case-pack purchases with a discount, and by offering customers free shipping at \$50.

Offering sales through our e-commerce partners, such as vitacost.com, Amazon, and others, is another solution. This enables us to use their distribution networks with reduced shipping expense. Each partner has its own free shipping threshold. This also gives customers the ability to shop for more than just our products, and enables us to market to their broader member base.

But there's always the customer on the opposite coast who just wants to buy a 5-pound bag of flour. In this situation, we see our website as a marketing tool, providing a store locator and print-at-home coupons to drive that customer to an in-store purchase.

### **Tom Knibbs, president, Urban Accents**

About 10 years ago, we took our website over from a third party because we wanted the ability to control changes ourselves—graphics, prices, updates. Since then, we've seen sales of our line of seasoning blends and sauces and traffic grow steadily year after year.

We thought we'd stick with that, but after attending the Specialty Food Association's E-commerce Summit in March 2016, we left realizing we needed to work with Amazon. The reach of our website was tiny compared to Amazon's audience. Some of our staff studied the ins and outs of Amazon, and by the end of 2016, it became a significant part of our e-commerce sales. Now, we're fishing in a much bigger pond.

We still invest in our website. It's not just a selling tool, but a branding tool—a billboard. And if you don't pay attention to your website, it quickly becomes irrelevant to customers. We work to keep it fresh and alive by updating the content, refreshing the key words, and posting recipes and recipe videos. What I love about the website [sales] is the names we see there are ones we know—repeat customers.

A dual track works for us. Our website offers our entire catalog and the "Urban Accents experience," while on e-retailers like Amazon, we present more limited, focused product offerings.

*Debbie Swanson is a freelance writer whose work has appeared in USA Today, Model Retailer, and The Baltimore Sun.*

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