

eCommerce Marketing



CHAPTER 1 E-COMMERCE BUSINESS MODELS

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AGENDA

Business models

B2C e-Commerce
business models

Benefits and
disadvantages

Required \$\$\$ to start



B2C

Commerce between a business and an individual consumer

B2B

Any commerce between two businesses



B2C E-COMMERCE

BUSINESS TYPES



Dropshipping



Print
on
demand



Private
labelling



Subscription



Your own
product



DROPSHIPPING

INSPIREUPLIFT.COM

Dropshipping is a fulfillment method where a store doesn't keep the products it sells in stock. Instead, the store purchases the item from a third-party supplier and has it shipped directly to the customer.

e-Commerce marketing

Source: shopify.com/blog



PRINT ON DEMAND

GEARBUNCH.COM

Order fulfillment method where items are printed as soon as an order is made without order minimums. With POD, you can create customized designs for a variety of products and sell them under your brand

e-Commerce marketing

Source: printful.com/print-on-demand



PRIVATE LABELLING

KYLIECOSMETICS.COM

Private label products are those manufactured by one company for sale under another company's brand. Private-label goods are available in a wide range of industries from food to cosmetics.

e-Commerce marketing

Source: ecompires.co



SUBSCRIPTION

DOLLARSHAVECLUB.COM

Company provides ongoing services on a regular basis in exchange for regular payments from the customer.

e-Commerce marketing

Source: ecompires.co



YOUR OWN PRODUCT

JUSWANTSKITCHEN.COM

This could be if you have your own product or you are a small business owner that wants expand into ecommerce.

e-Commerce marketing

Source: shopify.com/blog

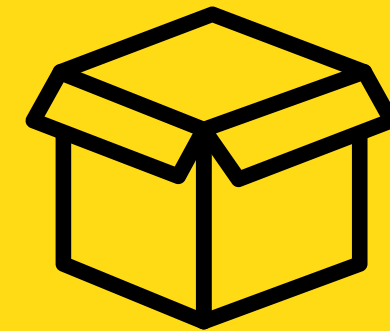
HOW DROPSHIPPING WORKS



Your customer places an order from your store



Your store automatically sends the order to your dropshipping supplier



Your dropshipping supplier prepares your customer's order



Your dropshipping supplier ships the order directly to your customer

DROPSHIPPING TOOLS REQUIRED FOR EVERY STEP

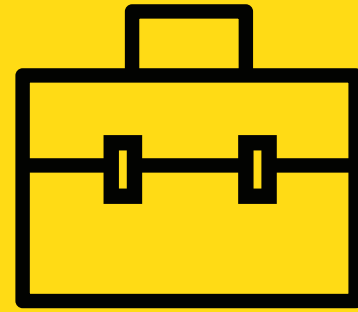


Source: Author's experience

BENEFITS OF DROPSHIPPING



Less capital is required



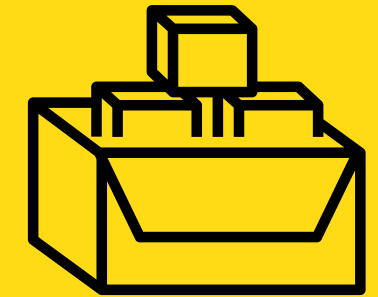
Easy to get started



Low overhead



Wide range of products

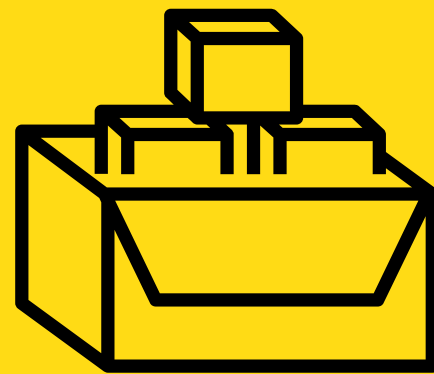


Easy to test and scale

DISADVANTAGES OF DROPSHIPPING



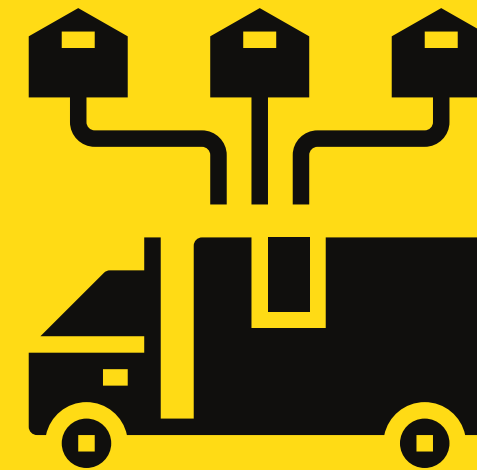
Low margins



Inventory
issues



Shipping
complexities



Supplier
errors



Limited
customization
and branding

HOW PRINT ON DEMAND WORKS



**Upload
image**



**Place
image on
product**



**List
product
for sale**



**Customer
orders
product**



**Factory
prints
design**



**Factory
ships
product**



PRINT ON DEMAND

SERVICES USED TO:

- Test a business idea
- Monetize an audience you've built
- Create original products for a niche
- Easily print one-off items
- Sell photos online

e-Commerce marketing

Source: shopify.com/blog

BENEFITS OF PRINT ON DEMAND



Create
products
quickly



Shipping is
taken care of

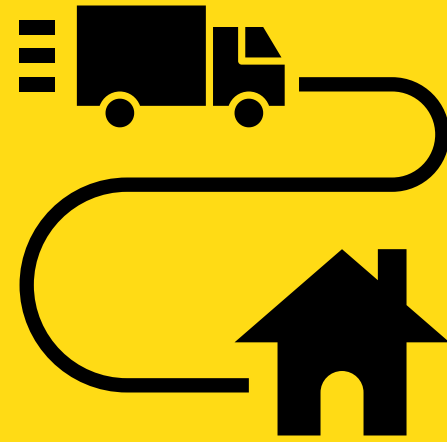


Low
investment,
lower risk

DISADVANTAGES OF PRINT ON DEMAND



Lower
margins



Less control
over shipping



Limited
customization



PRINT ON DEMAND SERVICES

FOR CREATING
CUSTOM
PRODUCTS

- [Printful.com](https://www.printful.com)
- [Printify.com](https://www.printify.com)
- [Gearbubble.com](https://www.gearbubble.com)
- [Gooten.com](https://www.gooten.com)
- [Shineon.com](https://www.shineon.com)
- xpress.lulu.com
- [customcat.com](https://www.customcat.com)

e-Commerce marketing

Source: Author's experience



DESIGNING PRODUCTS

FOR PRINT ON DEMAND

If you don't have access to Photoshop, you can use [Pixlr.com](https://www.pixlr.com) (free) or photo editing tools, such as [canva.com](https://www.canva.com)

Use [placeit.net](https://www.placeit.net) for beautiful mockups

PRIVATE LABELLING

EXAMPLE: TARGET SELLS A VARIETY OF BRANDED SNACKS FROM COMPANIES LIKE GENERAL MILLS AND FRITO-LAY, BUT IT ALSO SELL ITS OWN CHIPS AND CRACKERS UNDER THE ARCHER FARMS BRAND - TARGET'S PRIVATE LABEL BRAND.



ADVANTAGES OF PRIVATE LABELLING



Control over pricing



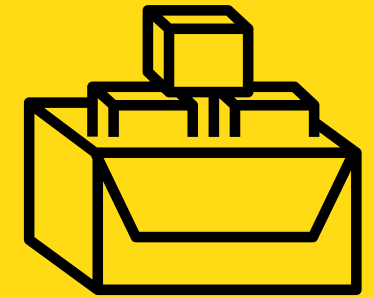
Adaptability



Control over profitability



Control over branding



Control over production

DISADVANTAGES OF PRIVATE LABELLING



Manufacturer
dependency



Difficulty
building loyalty

E-COMMERCE SUBSCRIPTIONS

SUBSCRIPTION BASED E-COMMERCE BUSINESSES RELY ON **PRE-PLANNED PURCHASING** AND **RECURRING REVENUE**. THE VALUE OF A SUBSCRIPTION IS IN THIS **RECURRING, PREDICTABLE REVENUE**.



WHY BRANDS INCORPORATE SUBSCRIPTION



DIFFERENTIATION



SEGMENTATION



STABILITY



WHY BUYERS SUBSCRIBE TO PRODUCTS?

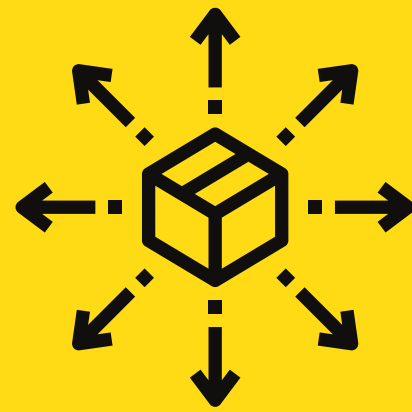
EXPLORATION (TRY SOMETHING NEW)

PERSONALIZATION

VALUE



ADVANTAGES OF SUBSCRIPTION MODEL



Ease of
distribution



Focus to
consumer

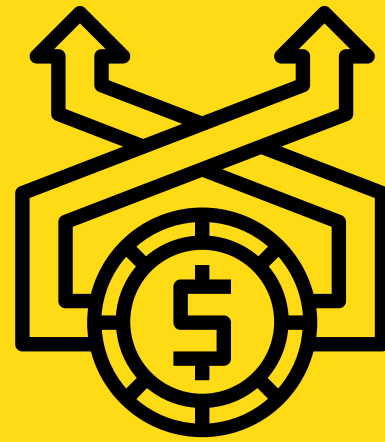


Consistent
revenue

DISADVANTAGES OF SUBSCRIPTION MODEL



High risk of
churn



Varied
products



YOUR OWN PRODUCT

This e-commerce model is for the do-it-yourselfer, someone who has their own unique ideas, can physically produce the goods themselves, and has the resources available to do so

ADVANTAGES OF MAKING YOUR OWN PRODUCT



Low startup
cost



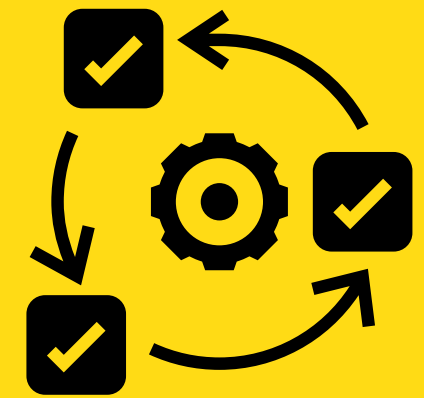
Brand control



Quality
control



Price control

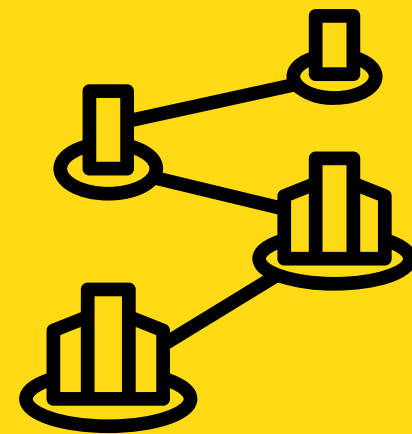


Agility

DISADVANTAGES OF MAKING YOUR OWN PRODUCT



Time
consuming



Scalability



Limited
product
choices

REQUIRED \$ TO START YOUR E-COMMERCE BUSINESS

PRIVATE LABELLING WITH AMAZON FBA

Depending on the product, startup cost might be between \$2000 - \$5000

DROPSHIPPING WITH SHOPIFY

Despite the ease of start, this model requires better marketing performance. So, you might spent about \$5000 for testing products until you find winner

PRINT ON DEMAND ON MARKETPLACES (AMAZON, ETSY)

Requires only \$39/month (amazon professional seller account fee) if you have enough design skills to produce your own art. Requires too much time to make stable revenue