

How Can E-commerce Platforms Shape Fastener Marketing in China?

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What makes a majority of businesses successful is the dedication to customer experience, market strategies, and operational efficiencies supported by the team and skills behind the businesses. A commitment to customers' satisfaction and knowing their behaviour and preferences have been never easier with the advancement of technologies and evolvement of online businesses.

Ecommerce has become an undivided part of any businesses, in a way that it has even transformed the supply chains, business models, marketing and sales strategies. The difficulty of providing products and services to clients from a distance no longer matters, as a variety of offerings are available online and clients from all around the world are able to know about those offerings and place their orders.

If fastener companies are expanding their brick-and-mortar businesses, looking to find enterprise-level solutions, or even starting new businesses from scratch, ecommerce always can be an opportunity for them which can have an enormous effect on the profitability and stability of their businesses. Undoubtedly, it is because customers these days are so attached to everything via the Internet.

E-commerce sales have continued to grow against brick-and-mortar sales in every country recorded, with the fastest growth taking place in emerging markets, where new technologies are keep redirecting consumers online while turning away from cash. However, ecommerce growth and take-up rate may vary from industry to industry or country to country.

China's growth as a global frontrunner in ecommerce has been nothing less than magnificent. This country is the world's largest e-commerce market as more than half of worldwide e-commerce transactions coming from China. In 2018, China's online retail transactions recorded USD1.33 trillion and the number of online buyers reached over 560 million. In 2019 the amount of online sales projected to be increased by 50% and the number of local digital purchasers is estimated to surpass 634 million by 2020. If the ecommerce market in China hits those figures in 2020, the market, dominated by the domestic platform, is anticipated to be even larger than those of the U.S., UK, Japan, Germany, and France combined.

The e-commerce market is more attractive for industries such as electronics, home appliances, clothing, entertainment and FMCG industry in general but not limited to them. Heavy industries have transformed some of their sales and supply chains into the online market. One of the famous online business models, is the B2B platform catered for business matching to connect manufacturers and buyers together. This platform, allows suppliers to promote and sell their products and services locally and globally. The digitization of customers' buying habits is the reason of a success of this business model. Now, more than ever, it is easier for suppliers to connect to their clients and to shape strong and direct relationships with them via B2B and B2C online platforms.

B2B commerce platforms and ecommerce for manufacturers are unique opportunities for fastener manufacturers and suppliers to meet their clients' continuously changing needs and requirements. They are not only able to meet customer demands, but also to exceed them by providing a seamless and easy-to-use ordering experience for their customers, no matter what stage of the business-manufacturer relationship. Distributors and manufacturers are understanding the importance of adopting a B2B and B2C commerce platform to help improve their revenue stream and set them apart from their competition in order to build long term profitable relationships. B2C commerce is widely used by suppliers, distributors and retailers who provide standard fasteners and DIY tools. The cost of courier services for this type of products is reasonable, so customers are willing to order online and receive their orders at doorstep.





There are several B2B and B2C commerce platforms in China. Some are focused on specific industries, some provide diverse types of products and services from different industries. The majority of Chinese large ecommerce platforms are known globally and customers from all around the world search and order diverse products and services online via those platforms. Although the majority of online sales belong to the retail industry, other industries' sales keep growing rapidly.

Chinese fastener manufacturers, more specifically those who supply DIY tools and standard fasteners are able to generate more revenue online, because of more sales from their direct customer relationships and outreach. In addition to this increased revenue, manufacturers are able to cut certain costs, including some of the costs associated with serving customers and providing good customer service.

As reported by the Ministry of Commerce of PR China, Eastern China surpassed all other areas in online retail sales, followed by the central, western and north-eastern regions. Cross-border e-commerce continued rapid growth in China, as Chinese suppliers can enrich new markets regionally and globally.

B2B commerce platforms can be used by any manufacturers or distributors in the fastener industry, no matter what type of DIY tools or heavy machinery they produce. The major benefit of using this platform is to promote products and services globally and to reach international markets with the minimum possible efforts and costs. Besides, it can help businesses to eliminate their needs to employ costly multiple staff loads for their order fulfilment, procurement and customer service salespeople. Online platforms allow business owners to process their orders online and maybe a few marketers and customer service representatives can be available online to serve clients. The advanced technologies, like Chatbot software, can be a virtual customer service staff and Search Engine Optimization (SEO) can assist businesses for their marketing activities.

Sources:

- *The Role of B2B E-Commerce in Modern Manufacturing, Manufacturing.Net*
- *China e-Commerce report, Export.gov*

Ecommerce for fastener manufacturers soon is going to be an essential part of the industry and a necessity for a success. Technologically savvy clients keep looking for online sourcing and ordering while the demand for an easy and seamless end to end sales cycle is growing.

The growth of Industry 4.0, IoT and other new technologies has created and transformed varieties of businesses and created new demands for the fastener market. Advanced businesses, prefer to have the entire process streamlined and automated. That means, fastener manufacturers and distributors need to own or be part of the commerce platform supported by advanced functionalities to support and exceed the customer demand. Providing a seamless and customer-oriented purchasing experience, is very crucial, if businesses still want to be relevant in the new highly competitive market.

Although in near future, the ecommerce is not going to overtake the traditional commerce, in the fastener industry, those businesses who ignore the importance of ecommerce, will miss the opportunity of entering into and capturing new markets, with the least possible effort and cost. To start with, manufacturers are advised to leverage the existing ecommerce platforms in China to promote their products and services, while analysing the markets and opportunities. Next, they can start to sell their offerings online and also build their own platforms to promote their brand globally. ■

