

Getting started with the course

Understanding e-commerce and why it matters

Terms, tools, and strategies in e-commerce

Getting started in e-commerce

- Video:** Market research
4 min
- Reading:** Get started with market research
20 min
- Practice Quiz:** Activity: Perform a competitive analysis
1 question
- Reading:** Activity Exemplar: Perform a competitive analysis
10 min
- Video:** Identify your target audience
2 min
- Reading:** Learn more about identifying your target audience
20 min
- Video:** How to do product research
7 min
- Video:** Product sourcing
2 min
- Reading:** Researching and sourcing products
20 min
- Video:** Branding in e-commerce
4 min
- Practice Quiz:** Activity: Identify brand values
1 question
- Reading:** Activity Exemplar: Identify brand values
10 min
- Reading:** Case study: How Prados Beauty's brand uplifts the indigenous community
20 min

Review: Introduction to make the sale: build, launch, and manage e-commerce stores

Researching and sourcing products

Sourcing products for your online store can be a big undertaking. There are so many considerations to make before you decide which products you’ll sell. This reading will help you determine which products make the most sense for your store.

Product viability

Since the purpose of an online store is to make sales, you’ll need to research the viability of each product before you decide if you want to add it to your online store. **Product viability** is the sales potential for a specific product. So, when determining the product viability of the items you want to sell, consider two things:

- **Demand:** Is there a high enough demand for this specific product to make it worth selling?
- **Profit margin:** Will you be able to sell this product at a competitive price while also making a profit?

Product sourcing

Recall from a previous video that **product sourcing** refers to how a business acquires the products they sell to customers. There are several ways to source products, and before you start selling, you’ll need to identify which is best for your business.

Create products in house

One way to source products is to create your products in house. This requires a lot of time, money, and other resources, but if you can commit to it, you have more control over the quality of the products.

Source products from a manufacturer

Another approach is to source products from a manufacturer. If you go this route, you will have less control over the quality of your products and your profit may be lower. However, you may be able to have the products dropshipped, which saves you time and resources. **Dropshipping** is a fulfillment method in which products are shipped from the supplier directly to the customer.

Source products from a wholesaler

If you source products from a wholesaler, you will purchase products directly from them at a lower price and sell them at whatever cost you feel comfortable with. This strategy for sourcing means you will have to ship the items yourself, but you may see a higher profit margin. Sourcing from a wholesaler also means you may be able to have your products dropshipped.

As you weigh these options and decide where you will get your products from, consider the advantages and disadvantages of each of the following:

- **Quality control:** How important is overall product quality to your store and brand reputation?
- **Profit margins:** How important is overall profit to you? How does each product sourcing option affect your profit?
- **Shipping and fulfillment:** Will you be able to fill orders yourself, or will you need to have a warehouse and employees?
- **Time spent:** How important is time to your business? Will making products yourself take too much time?

Forecasting demand

Before you source your products, you’ll need to consider if your consumers will even want those products. **Forecasting** is the process of predicting the future demand for products. In other words, when you forecast, you’re hypothesizing about how popular an item might be on your website. This is important because it helps you analyze whether certain products are worth the financial risk. It can also help you better understand seasonal trends, which allows you to know how much of each product you’ll need in stock.

Forecasting includes taking actions like using analytics dashboards and sales data to view your top-selling products, negative reviews, quantities sold over a period of time, seasonal sales spikes or dips, and product reviews.

Add accessories to increase revenue

When you’re researching products and forecasting inventory, a good way to increase your revenue per order is to add complementary accessories that align with those products. This is an effective strategy because when you remind customers that if they buy one product, they may need another product that complements it, they may spend more money at your store. For instance, if your online store sells electronics and you’re offering the newest and most popular laptop, you may also want to sell charging cables, cases, screen protectors, external hard drives, and more.

Key takeaways

When it comes to determining which products should be in your store, there is a lot to consider. Doing thorough research to determine product viability, product sourcing, and forecasting will help set you up for success.

Mark as completed

