

# Make Innovation HAPPEN



## MIH Knowledge Article: Skills to Tills - E-commerce Skills

Scotland  
A LAND OF  
food and drink

SCOTLAND  
IT'S TIME TO INSPIRE



## How the rise of ecommerce businesses are shaping workers skill sets

Ecommerce is reshaping the global retail market. Since the turn of the century, online shopping has boomed as internet access has reached all corners of the world and smartphones have quickly become an intrinsic part in the lives of billions of people. The rise of ecommerce is providing exciting growth opportunities for hundreds of thousands of companies in all shapes and sizes.

Ecommerce has opened up a whole new shopping world, providing hundreds of millions of consumers with access to much greater assortment and value opportunities, and helping to satisfy their increasing demand for convenience.

Today, ecommerce across multiple categories like Fashion, Electronics, FMCG and others account for about US\$2.8 trillion, some 10% of the global retail market. Growing at an estimated 20% a year, ecommerce shows no signs of slowing, and by 2020 it is likely to be worth in excess of US\$4 trillion.

Online sales of groceries grew by 13% globally in the 12 months ending June 2018 and now account for 6.3% of all fast-moving consumer goods (FMCG) sales worldwide, Kantar Worldpanel reveals.

## More manufacturers are using online channels to sell directly to consumers

More and more food and drink manufacturers are using the direct to consumer models, in particular within the gifting business. Online sales allow shoppers to buy unique, exclusive and personalised products, which they couldn't get in store.

To really succeed online during the peak season, the brand needs to stand out from the crowd, the likes of customised product designs, personalised packaging, prominent signatures on packaging. Offering something different and better compared to offline retail channels helps differentiate from competitors and has potential to drive sales and profit.

Having a personalised and direct relationship with the shopper helps build loyalty and supports repeat purchases. The greater connectivity to customers also provide a valuable source of data and customer insight, which benefits new product development and information to secure further listings.

The increasing expectation of using advanced technology improves efficiency in logistics and helps drive sales, the likes of click and collect, voice assistants, same day or one hour delivery slots and direct delivery to gift recipients, which makes online shopping very convenient for shoppers.

However, smaller food and drink producers in particular face unique challenges when selling online and transporting their goods around the world. Online grocery isn't just the most capital intensive in ecommerce, its also the most regulated. Rules regarding food safety can differ markedly between countries. Inventory planning, demand forecasting, cold storage logistics are all complicated in ecommerce industry.

The right investment, a well-organised management and skilled labour is a necessity to make an ecommerce business work and successful in long-term.

## Getting the right skills for ecommerce businesses

Ecommerce incorporates a wide mix of technologies including the latest advances in cloud computing, artificial intelligence, big-data and business process engineering to build complete automated businesses.

The introduction of new technologies will have a significant impact on the food industry and will change the role of workers. Employees need to learn how to work in the new environment and the demand for specialised skills will increase.

Essential required skills when committing to an ecommerce business incorporates a complex of different components: Online marketing and sales, including management of online shops, product design, social media and customer communication; online supply chain management, the likes of procurement, logistics and digital trade; online data management, management of different payment systems and ecommerce laws and regulations.

Retraining and qualification programmes will be important in helping workers change to new roles and take on new jobs. Study programmes, training development courses or apprenticeships relating to ecommerce are on the rise, especially in China, US and Germany.

## Growth opportunities

Companies, ranging from world's leading manufacturers to start-ups, capitalise on the growing trend of using e-commerce to sell products directly to consumers. It is a way to differentiate from competitors, to offer something exclusive and to attract new shoppers. But getting it right to succeed in long-term is key for your business. Investing in re-skilling and up-skilling workforce could be worthwhile and could help support your business growth.