



The Manufacturer Omnichannel Index:



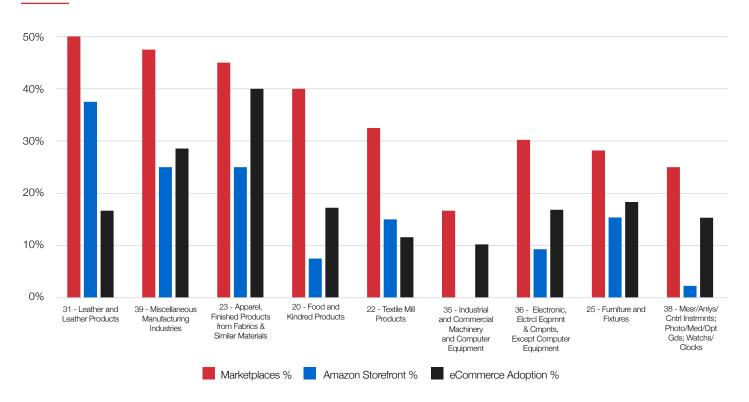


Providing a great customer experience (CX) on your website is the cost of being in the game today, whether your top goal is a shopping or a transaction site -- or both.

This has become even more critical as both distributors and manufacturers accelerate their adoption of ecommerce. Distribution Strategy Group recently completed the 2021 State of Manufacturing Sales Channels study. In that research, we found the channel is shifting away from traditional distribution (manufacturers predict a decrease of nearly 20% in use of that channel over the next five years) and moving toward the use of digital sellers such as marketplaces and pure digital distributors, an 80%+ increase.

To gain more insight into ecommerce adoption by manufacturers, we sampled more than 4,000 manufacturer websites across different SICs. The graphic below shows selected two-digit SICs that had at least 10% of sampled firms with ecommerce.

Chart 1: eCommerce Adoption & Marketplace Usage by SIC









Our annual State of eCommerce research, conducted in early 2021, indicated the No. 1 operational objective for both distributors and manufacturers in adopting ecommerce is improving the ease of use and customer experience (CX) in both the shopping and buying process.

A recent survey by Search Engine Journal asked SEO professionals what the top areas of focus would be in the next year. The top response was User Experience (UX or CX for Customer Experience).

Many factors go into having a great customer experience. In this whitepaper, we dive into the components that drive CX, show you how many manufacturers are in the good-to-great rating, and provide examples of what a great CX looks like.

The Manufacturer Omnichannel Index

KYKLO surveyed a select group of 110 of the largest manufacturers in the electrical and automation sectors. The discovery?

Manufacturers range from great to dismally ill-prepared for the future.

There are seven critical success factors comprising the index:

Share of Voice – the SEO component of the manufacturer's website. Can a customer hear your message on an internet where hundreds of other manufacturers seem to be shouting at the top of their lungs?

The Home Page – Does your front door portray what one might expect from your company?

Discovery – How many searches and clicks does it take to get to a product? Can users search for keywords and specifications and receive search suggestions along the way? Are you able to narrow down and filter search results based on technical attributes? Is it even possible to find the right product at all, without knowing the exact (and complicated) product SKU code ahead of time?

Advanced Selection – Once on the website, can customers find precisely what they need? Are there product selectors, configurators, and other tools to help a confused customer make the right choice?

Product Content – Does your website provide all the data needed for a selection? Are there pictures, the right specifications, and electrical/mechanical properties to really make the right selection for







the specific applications the product typically works in?

Offer Completeness, Pricing and Inventory – This measures whether the manufacturer has all of its products shown on its website. Are all products findable via search and filtering or only pre-determined categories? Are all newly launched products, and most importantly, all price list commercialized products on the website? In addition, does the manufacturer show price or lead time/inventory availability?

Conversion – Does your site encourage a customer to buy? Can the customer pursue a purchase on your website, or be guided to your distributors' sites? Why should they select you over one of the other guys?

The data compiled applies algorithms and includes the expertise of KYKLO's team of Senior Data Engineers. This group has significant experience in developing enriched product data for millions of SKUs in the electrical and automation space. They know products, what it takes to attract customers, what engineers search for in their applications, and the environment needed to drive conversions.

KYKLO understands the nuances of ecommerce and has assisted distributors in pushing their efforts forward around the globe. KYKLO also assists manufacturers in creating, maintaining and deploying their content, both on KYKLO-powered stores for distributors, and via a syndication offering.

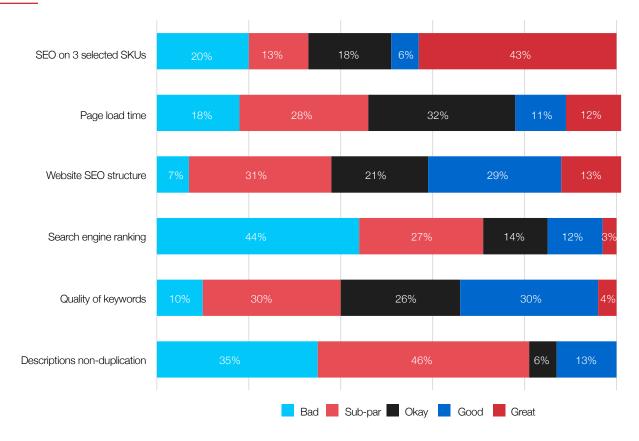
This whitepaper delves into each of these factors.







Chart 2: Share of Voice



Share of Voice

Share of Voice consists of several components:

SEO (KYKLO analyzed SEO for 3 selected SKUs.)

Page loading time

Website SEO structure (relates to the quality of URLs and links. The URLs should be search engine friendly and links going to relevant pages). No pages should return errors (e.g. "404 not found").

Search engine ranking on strategic keywords

Keyword quality for search engines

Descriptions Non-Duplication (are the descriptions unique, or duplicated?)

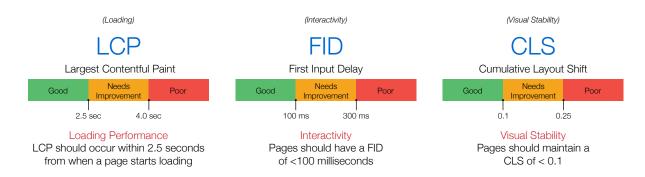








Chart 3: Core Web Vitals



- If page load time increases from 1 second to 3 seconds, bounce rate increases 32%
 - If page load time increases from 1 second to 6 seconds, bounce rate increases by 106%

The graphs on the previous page show what percentage of companies had a Bad, Sub-par, OK, Good, or Great score in each of the Share of Voice factors.

Here are the takeaways based on analysis of the Share of Voice components:

Only about 50% of manufacturers have a Good or Great rating for SEO on the selected SKUs. For the roughly 50% of manufacturers that aren't good or great, the key reason is the lack of individual product pages. Many manufacturers only show products at a series level, or in a configurator. Users usually need to find the individual SKU on an individual product page. The most common way users find a product is by Googling an SKU code, but if there's no individual product page, there won't be an appearance in Google results. The foundation for a good CX requires there be content on what is needed.

Only 23% of manufacturers had Good or Great page loading times. This is a major opportunity for improvement. Users will leave a site quickly if the page does not load quickly. Google launched the Core Web Vitals scoring in the spring of 2021; page loading time is just one important component. We have written before about the importance of the Core Web Vitals.

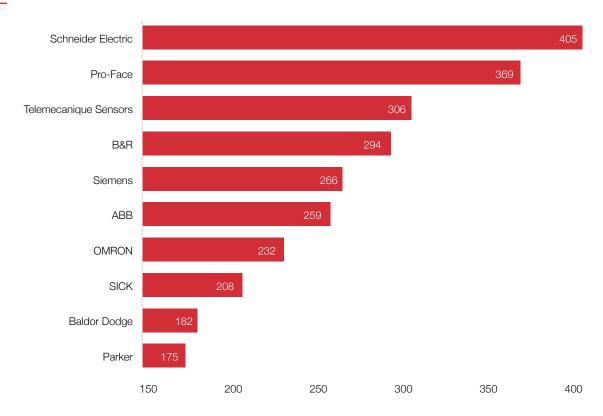
38% of manufacturers had a poor URL structure. That issue may be a limitation of the platform used. Regardless, a poor URL structure makes it more difficult for Google and other search engines to index content. It also carries a long-term risk, as maintaining content at those URLs, to avoid 404 errors (bad links), will be increasingly difficult.







Chart 4: Best Digital Share of Voice Scores



Shockingly, more than 70% of manufacturers have a Bad or Sub Par rating for their own search engine ranking. We all know how important it is to be ranked high on the SERP (search engine results page). If a user cannot find you on the 1st page, the probability of clicking on a link on subsequent search engine results pages is not likely.

Two-thirds of manufacturers have a Bad, Sub-par, or Okay rating for their keyword quality. Just a third of companies had Good or Great ratings. Keywording is a crucial exercise, as it expresses the use of a product for increasingly brand-agnostic engineers and purchasers.

80% of manufacturers in the index have Bad or Sub-Par descriptions. Search engines like descriptions to be greater than 200 characters. The more descriptive the content, the easier it is for a user to find what they need. Shorter descriptions tend to be duplicated more often with other products.

What manufacturers lead the Share of Voice category? As you can see in Chart 4, Schneider Electric led the field with the highest Share of Voice scores for the reasons identified above.







Home Page

Your home page is your front door – does it convey an accurate view of your company? Google's Core Web Vitals are important in this section, too – most likely you've seen website pages that seem to jump around while loading. That is an indicator of CLS, or Cumulative Layout Shift, where the page lacks visual stability while loading: Google takes this phenomenon as a negative when building its results ranking. Three primary components drive scores in the home page category:

Navigation: Characteristics of better home pages include intuitive navigation, single or minimal clicks to reach each product category. The good news is that nearly two-thirds of manufacturers in this index had at least a Good score for Navigation. The main issues encountered were lack of simple and clear access to products and promotional/corporate messaging clutter.

Searchability: Specifically, this refers to the on-site search, not through an outside search engine like Google. Your searchability is great if a precise search such as "PE terminal block 2.5mm2" yields relevant results. Fifty percent of manufacturers yield little to no results to precise search.

Chart 5: Home Page

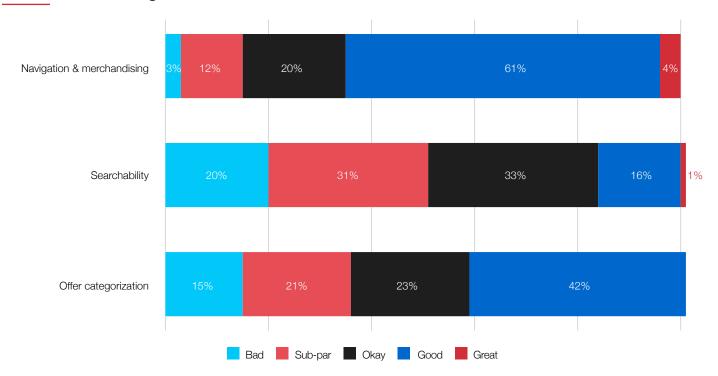
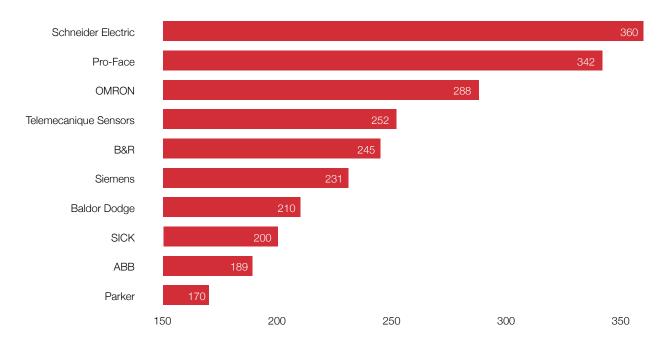








Chart 6: Best Home Page Scores



Offer Categorization: Great performers in this category have breadcrumbs on every product page and contain meaningful categorization without being too manufacturer specific. Some companies had reasonably good categorization and filtering for key or flagship products but were missing on the bulk of products, making it more difficult for a user to find products beyond this narrow assortment.

Who had the top scores for the Home Page category? Schneider Electric again leads the top scores with good representation of Home Page factors that drive a quality Customer Experience. (Chart 6)







Discovery

Discovery measures several factors and is specific to the on-site experience. The overarching goal in discovery is users being able to find what they need. A company may have enriched/detailed product data, but the customer experience will still be poor if the taxonomy is poor, or there is no ability to intuitively filter results to quickly find what is needed. Additionally, a user should be able to do a search for product keywords and specifications and receive typeahead suggestions. Users should also be able to filter based on key product specifications, also called parametric search capabilities.

Number of clicks to product page: How many clicks does it take to get to a product page? Ideally, we like to see no more than three clicks. A caution here – in several instances it only took two clicks to get to a product series or category page. Finding a specific product, however, was non-intuitive, or impossible. Companies that had no individual product listings received a Bad score in this category. Only about a third of manufacturers scored either Good or Great. Quality of Search Suggestions: Relevance is king in this category. An OK score may indicate a SKU is suggested; however, having relevant categories or other materials benefit users. An example would be to suggest relevant product selectors or configurators. Nearly 60% of companies had a "Bad" score here, highlighting a key improvement area.

What manufacturers lead in Discovery? (Chart 8)







Chart 7: Discovery

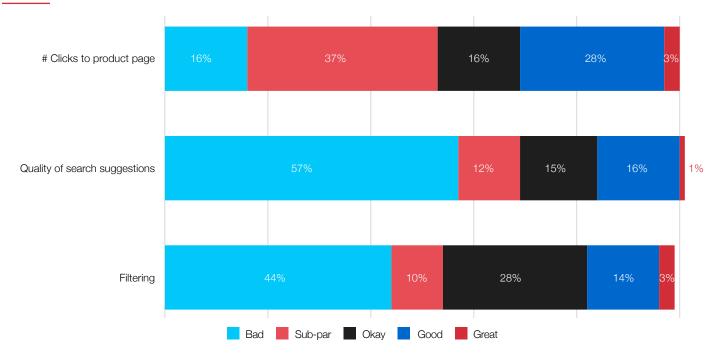
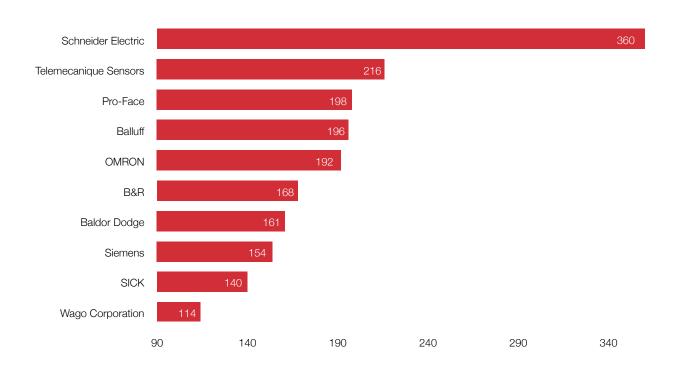


Chart 8: Best Discovery Scores







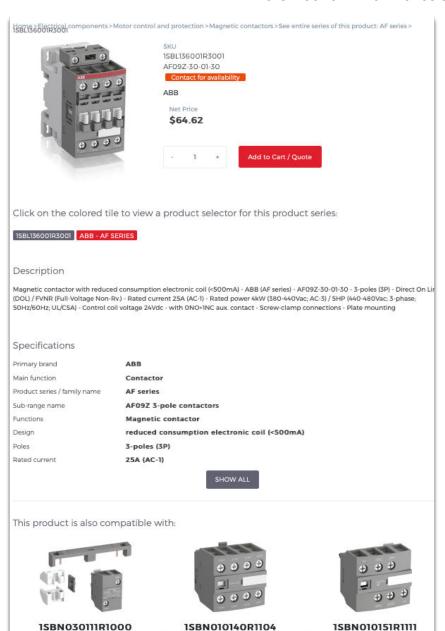




Advanced Selection

Advanced selection includes factors that help a user find what they need. As an example, a user may not know the SKU or name of the part. Product selectors can assist by allowing a user to select attributes and then narrow down to SKUs that meet the specific criteria.

Cross-selling: About 70% of companies scored either Bad or Subpar, making this another area where companies can improve to make the CX better. What makes a good or great cross-sell experience?



Having hand-picked product accessories, such as cables, covers, spare parts and mounting hardware easily accessible in the course of a shopping and buying experience.

An example of cross-selling a product is below and can be found at: https://shop.powermation.com/
products/1SBL136001R3001. In the example there are many more products that appear below the screenshot. This is a simple, yet highly effective way to show additional products and increase the average order value.

When you make it easier for an enduser to find components that go with the part they're buying, they will be happier. And as a seller, you win by increasing the number of lines in an order. We have seen companies experience double-digit increases with Al-powered cross-selling tools. These models get smarter with more data and can be used both online and offline, making it a great omnichannel tool to increase revenue.







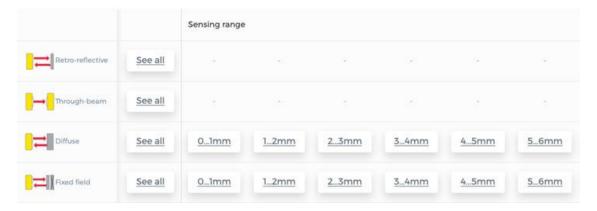


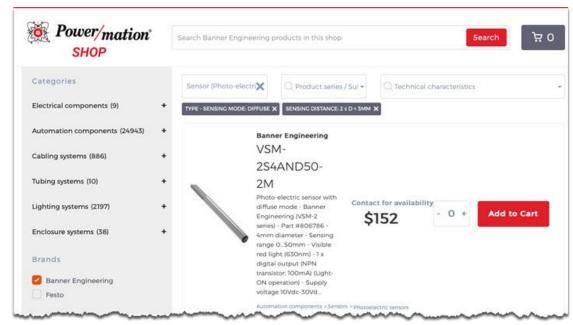
Presence of product selectors: Only 20% of companies had a good or great score for presence of product selectors. Below is an example of a product selector, which is found at: https://shop.powermation.com/brand/banner-engineering. This example for photo-electric sensors helps make it easier for a user to select and find the product they need for their application. Through an easy, thoughtful process, the user is able to quickly find what they need. The user first selects by shape or series, shape and sensing mode, or by sensing distance and sensing mode. In this example, a selection by sensing range is made. The user can make a selection and instantly see products that fit the criteria.

1.1.3. Select by sensing range

(back to photo-electric sensors index).

Banner Engineering offers a wide selection of photo-electric sensors with sensing ranges from a few millimeters to hundred mel Navigate the table below to select a sensing mode based on your application requirements:







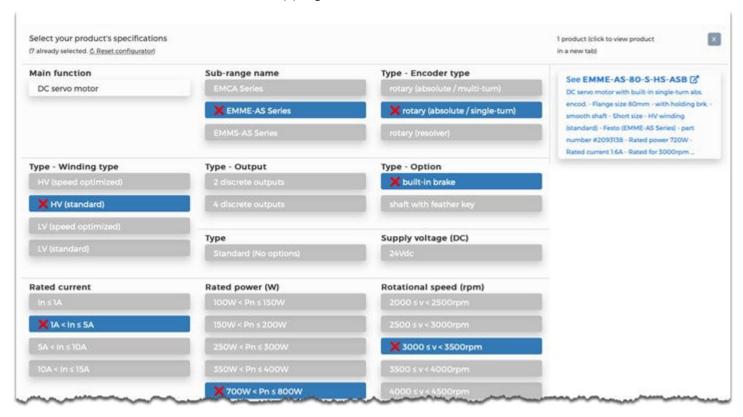






Presence of product configurators: More than 70% of companies had a bad or sub-par score in this category. Product configurators make it much easier for customers to find and order exactly what they need. Sub-par product configurators lead to customer mistakes, which require extra customer effort to correct and cost the supplier money and time in unnecessary returns.

Below are screenshots for a great product configurator, which can be found at: https://store.shaltzautomation.com/brand/festo. The first image shows a clean, user-friendly layout that allows the user to select what they need. In this example, a DC servo motor was selected. Next, based on selected attributes, the configurator automatically and intelligently allows the user to select additional attributes. The user can quickly get to the product(s) that meet their needs. Once configuration is done, you can add parts directly to a shopping cart.



Product substitution and replacement advice: An almost universally poor showing in the category of product substitution or replacement advice, with nearly 90% of companies having a bad or sub-par score. A few companies had some end-of-life product notices but were minimal or missing on what substitutions are available. Due to supply chain shortages, customers and distributors are asking for this feature with increasing regularity.



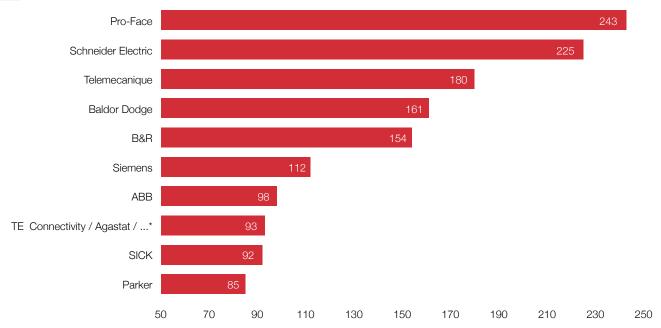




Chart 9: Advanced Selection



Chart 10: Best Advanced Selection Scores



* TE Connectivity / Agastat / American Midwest / AMP / Buchanan / Entrelec / Ideal / Potter & Brumfield / RAYCHEM / Sigmaform / Tyco Electronics / TYCO THERMAL CONTROLS









Product content

Does your website provide all the data needed for shoppers to make a decision? Are there enough pictures, the right specifications, dimensions and electrical/mechanical/functional properties? Are the products findable by specifications search and filtering, or only if you already know the product code?

We have often characterized product content as the oxygen for a robust and useful website. Some sites are more for shopping, or researching, finding and selecting products. Most are purely transactional, only allowing search for product codes. Regardless of what your overall digital objectives are, having useful product content, and the right ecommerce infrastructure to search and filter to the right results, is a key element and is foundational to success. Just having original manufacturers' individual product datasheets, when those exist, is not enough.

Product data includes basic information. A critical component is to ensure the 4 Cs + F of product data are met:

- Clear
- Complete
- Correct
- Consistent
- Findable







Chart 11: Product Content

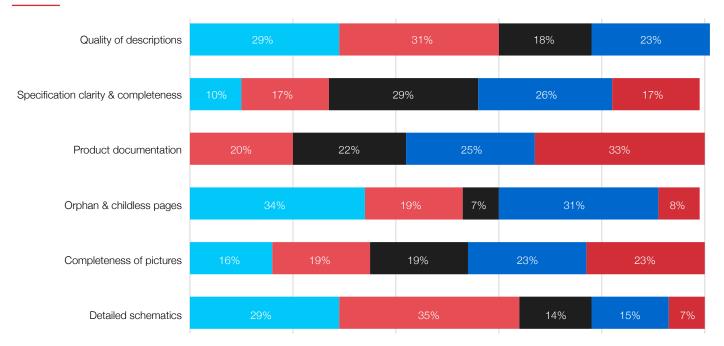
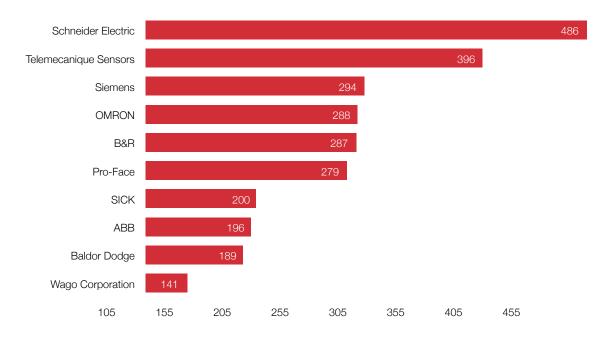


Chart 12: Best Product Content Scores









Offer Completeness, Pricing, and Inventory

To have a great experience, the customer needs to be able to find what they need. KYKLO found that most manufacturers have less than 40% of their official list price products searchable on their website. In many cases, only series information was shown for those products, and not individual product pages; as a result, the manufacturers were missing, on average, more than half of available SKUs. If the product is not visible on the website, most users will assume a needed product is not available and will search on another supplier's website.

Not having all SKUs searchable, filterable and well described on a manufacturer's site is shocking, especially as the manufacturer provides list pricing to all its distributors; when this happens, manufacturers are missing a key opportunity to sell or specify their product in future engineering applications.

In addition to having products, manufacturers need to consider the information most important to the buyer. Manufacturers often challenge the need to show lead time/availability on their site. However, buyers at least want to know if a product is "normally in stock" or, at least, a lead time for made-to-order products. If someone is looking for a product with certain specifications or usage, they want to take into account normal availability in their design decision.

Here's a look at how manufacturers performed in our analysis.

Completeness vs Price List: This looks at whether the manufacturer has all SKUs searchable on the website. Most manufacturers only show a fraction of their price listed items on their website.

Inventory: Only 12% of companies in this study had a Good or Great rating. Users researching products need to know that a product is normally in stock, or has, for example, a 10-day lead time. During supply chain difficulties, inventory is reported by customers as important as price. Given the choice between a manufacturer that has product information that shows some form of useful inventory data or a manufacturer that does not show that type of information, a user will normally select the option where inventory/availability is known – even if that is in the form of "usually in-stock".

Presence of Pricing: Nearly 70% of manufacturers provide no pricing information. Some will provide pricing after a login. Manufacturers







can improve the CX by providing at least list pricing for all SKUs, not just at a series level. Users need to get a ballpark of how much the product would cost, in their current application, or for future designs. Missing prices drive customers away from innovative products, by fear of the said product to be out-of-budget.

Chart 13: Offer Completeness

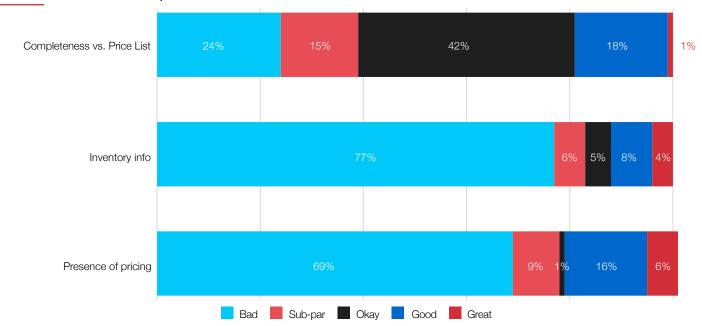
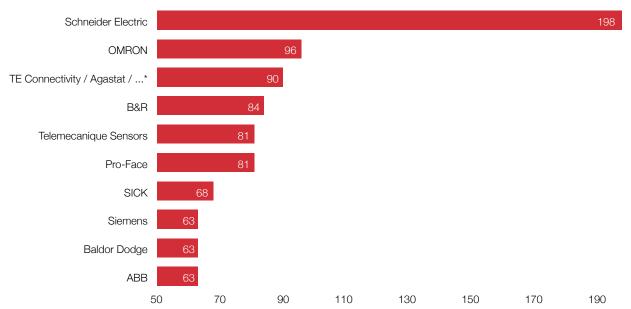


Chart 14: Best Offer Completeness Scores



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The more complete your offering is online, the better

Three-quarters of the leading manufacturers we analyzed did not have individual product pages on their websites. This is a big deal. Customers do not search for product families; instead, they want to receive the full information on the products considered. This leads to customer frustration, and it could be surmised at least some customers go elsewhere to find other brands' offering of products matching their requirements.

Even more surprising, 95% of these manufacturers have a search engine geared toward SKU codes rather than keywords and had no filters to narrow results. New customers, or at least those unfamiliar with your brand, struggle to find what they need without keywords, search and filters. This seemingly small blunder costs the manufacturer important leads and incurs significant support costs, as manufacturers need to provide product guidance to prospective customers via costly human expert support.

Here is a point to ponder: 90% of manufacturers have less than half of their published US price list searchable on their website. We are not referring to prices; instead, it is about products listed vs. the price list. Cross-checking products on the price sheet against products detailed on the web, we find amazing gaps. Over half of products that are available and for sale receive no mention online. Experience dictates a "long tail" of products attracts customers. When manufacturer organizations fail to deploy and maintain their full product offering on their digital portal, new business suffers. Also, why would a manufacturer spend resources to maintain pricing and manufacturing/sourcing data in their ERP, if not to sell the product? And what about newly launched products, which costs millions to develop? We found that, for many manufacturers, web deployment of new products is one of the most significant blocking points to commercialization.



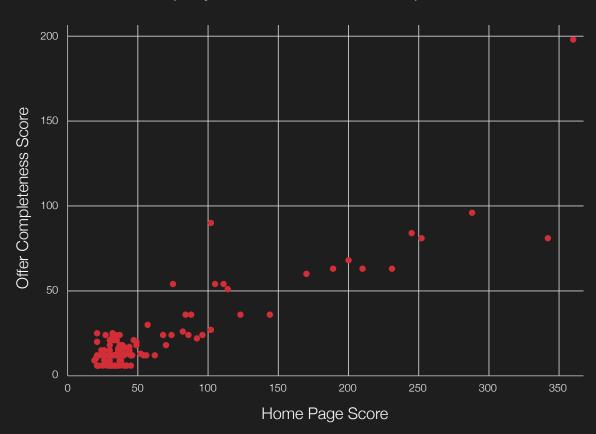






An interesting way to view this data is to compare "Offer Completeness" to the "Home Page Quality." The graph shows the concentration of companies with low scores for "Offer Completeness" on the Y axis with the X axis representing the Home Page scores. Note the high concentration of companies in the lower left, meaning these companies had lower Home Page and Offer Completeness scores. There was one standout company in the upper right that scored well in both categories. Even more surprising, a lot of manufacturers over-invested in their homepage but only show, elsewhere in the site, a fraction of their product offering. This is even more frustrating for users who would rather find the products they are looking for.

Chart 15: Distribution of Company Performance: Offer Completeness and Home Page







Conversion

Does your website provide the ability to convert a user to a goal? Some manufacturer sites allow direct ordering, and others provide lead generation for channel partners, or a direct link to a distributor where a user can purchase. A solid goal for any website needs to include the capability for conversion.

Presence of a cart or BoM listing tool: 29% of companies scored okay, good, or great on having a shopping cart or some type of Bill of Material tool (such as a wish list or saved cart for example). Some companies did have a Request for Quote option, but 63% had no BoM listing at all. Those companies that did have a BoM tool sometimes had the ability to export the list to Excel or as a .csv file.

Ability to convert sales to a distributor: Only 15% of sites had the ability to convert to a distributor or channel partner sale in some fashion. Said another way, a shocking 85% of companies do not provide a method to convert interest in their products into a sale from their website.

This is one of the biggest surprises of this exercise. At the end of the day, a website should provide a mechanism to convert to a goal. Expending significant resources to implement a good website, then have no method to convert to a sale is surprising and frustrating for users, and financially irrelevant for manufacturers.

Chart 16: Conversion Performance

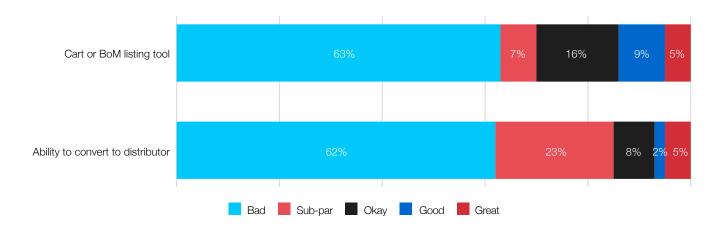


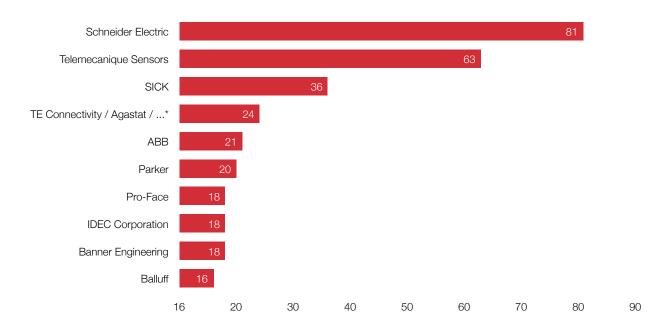








Chart 17: Best Conversion Performance Scores



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Where do you stack up? The manufacturer's place in ecommerce

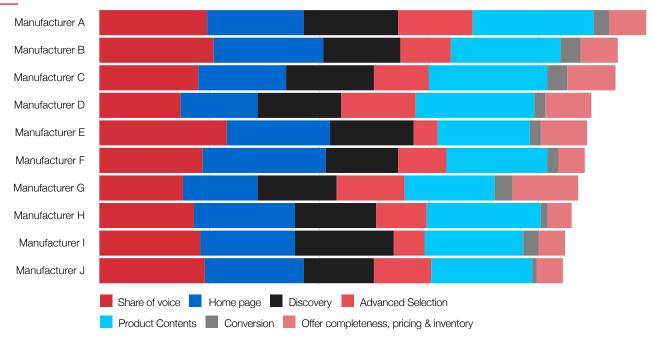
When Customer Experience is not a priority, you risk:

Frustrated customers
Lower order value
Lower profitability
Loss of market share to direct competitors
Lower brand equity

It isn't necessarily about ecommerce. Think bigger. A transaction may be part of the customer experience, but providing the right information and experience provides the "assist," regardless of what channel a customer uses to make the transaction. Just as John Stockton is the NBA leader for assists, your website can drive more sales on all of your channels through a better shopping and buying experience. Use this whitepaper to guide you to potential areas that you can investigate, measure, and create a plan to improve.

Wondering how you scored? Get in touch with KYKLO to obtain your organization's performance on the Manufacturer Omnichannel Index. KYKLO can demonstrate how you might improve your score and, more importantly, open the door to new customer opportunities and greater growth.

Chart 18: Overall Score Per Manufacturer









DISTRIBUTION STRATEGY GROUP

About Distribution Strategy Group

Distribution Strategy Group's thought leadership, research and consulting services are led by a team with decades of experience as senior operators in the distribution industry. They have since worked with more than 70 distribution companies to build a solid foundation to win in today's changing market.

Distribution Strategy Group offers strategic guidance for distributors in the face of disruption, including:

- Digital and ecommerce strategy
- Customer lifecycle management strategy
- Customer analytics
- Sales channel strategy

Contact us:

distributionstrategy.com | 303-898-8626 | contact@distributionstrategy.com











About KYKLO

KYKLO is the fastest growing content and ecommerce solution provider in the electrical, automation and fluid & power industries, with over 50+ distributors and manufacturers using its service.

KYKLO offers a product information and ecommerce platform for B2B distributors and manufacturers including:

- Product content enrichment services done by industry experts
- Product content syndication leveraging the largest <u>product content data pool</u> in the electrical, automation, fluid and power industries.
- Next generation Ecommerce with Search, Filtering and Configurator tools.

Learn more at kyklo.co.







The Leading Digital Product Information and E-commerce Solution for B2B Manufacturers



Launch your webstore fast, with low resources and an easy implementation



Grow your omnichannel footprint, SEO, and brand equity



Grow your sales by generating high converting leads



Increase your customer satisfaction while reducing your operational costs

Enriched Product Content







Our team of SEO specialists enrich and maintain your product content based on your suggestions and our expertise



We help you taxonomize and normalize your product content faster than anybody else



We provide the largest and highest quality product library in the industry - built by our on-staff electrical and automation engineers



Your product content will be dynamic, built for SEO, searchability and product comparison

Customer Portal and Ecommerce Platform



We bring your buyers to products in less than 3 clicks



The best product discovery in the market, powered by next generation product content, search, filtering, product selectors and configurators



Allow your B2B buyers to get their customer specific pricing and terms



