

# COVID-19 Survival Kit for eCommerce Businesses

By ConvertCart



COVID-19 has made a significant impact on e-commerce businesses across the globe. As more consumers worry about losing their jobs and focus on essential spending, e-commerce businesses spanning a variety of industries are taking a financial hit.

The negative economic impact from the spread of the coronavirus does not show signs of stopping anytime soon, leaving many e-commerce businesses wondering how they are going to survive this pandemic. As COVID-19 threatens their livelihood, businesses need the tools, resources, and information necessary to stay in business and remain profitable during these uncertain times.

To help businesses facing this struggle, we have put together this ebook. Let this book serve as a survival guide for your e-commerce business to navigate through these turbulent times and come out thriving on the other end.

# Contents

Cash flow	03
Marketing	05
Government relief programs	11
3dcart COVID-19 eCommerce Assistance Fund	12
What's next for e-commerce?	12

# CASH FLOW





# Cash flow

The most important tool any e-commerce business needs to survive the impact of coronavirus is cashflow. As many states and countries across the globe are enforcing a strict lockdown and are issuing stay-at-home orders, maintaining sufficient cash flow will be critical for businesses hoping to make it through the lockdown.

While this proves difficult for traditional brick-and-mortar stores and restaurants, it is also a challenge for e-commerce businesses who face an uptick in competition due to COVID-19.

Additionally, as conditions worsen, causing people to spend more time at home, e-commerce businesses that offer non-essential products have to fight for attention from consumers who are focused on buying only the products they vitally need.

The increase in furloughs and layoffs have not helped the matter as an increasing number of consumers have chosen to save money to pay bills rather than splurging online.

For these reasons, it can be difficult for e-commerce retailers to maintain sufficient cash flow. Ecommerce businesses that can manage their cash flow efficiently, will emerge as winners after this pandemic. Here are a few strategies you can use to help increase cash flow to your business:

## Gift cards

Gift cards are a great tool for increasing cash flow because they give your business money when you need it the most: presently. Gift cards are essentially a mini loan from a customer to your business, which is great for multiple reasons:

1. You increase your cash flow during a difficult period
2. You give consumers a reason to come back to your store and make a purchase later
3. You encourage consumers to buy products from your store over competitors as they already have a gift card.

According to a 2010 study conducted by First Data, 72% of consumers who shop using a gift card spend more than the value of the gift card. This means that gift cards will not only help your e-commerce business now, but they will help your business later as well.

If you do not have a gift card system in place, you are going to want to implement one to boost cash flow during this pandemic.

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## Enable pre-order for popular products

Ecommerce retailers that can identify high-demand products should allow customers to pre-order the items to increase cash flow during the lockdown. Pre-ordering helps businesses like gift cards; customers pay money upfront when e-commerce retailers need it the most in exchange for a product they will receive later.

This is a strategy that is being used by the Chicago Red Stars, a professional NWSL team that is experiencing no cash flow from online sales as the soccer season is postponed due to COVID-19. In a recent message, the Red Stars encouraged supporters to pre-order soccer jerseys for the upcoming season at their virtual launch.



Even though there's no incoming revenue, we are holding firm on the front office and player employment as long as we can so as not to extend the hardships that the club is feeling. We understand that this is a difficult time financially for many, but if you are fortunate enough to have a steady income and want to support the club you can purchase a kit at the virtual launch. We're also working on some unique digital experiences that will provide an opportunity for income, so keep an eye out! Thank you for all the love during this difficult time. With your support we will come out of this even stronger as a community

While their season will not start for months, and fans will not receive the jerseys right away, it has allowed Red Stars to increase their cash flow immediately.

## Discount Underperforming Products

A great marketing tactic that will help your business increase its cash flow is offering discounts on underperforming products.

While lowering prices might seem counterintuitive, it will be more advantageous for you to move products that typically do not sell well now than to pay money to store them and hope they move later. Offering discounts on these items will increase the likelihood that consumers will buy these items at the lowered price, allowing you to make crucial sales that will help your business stay afloat.

# MARKETING





# Marketing

Another way to make sure your business can thrive despite the circumstances is by keeping up with your marketing.

Many businesses, to show respect and sensitivity during times of crisis, significantly decrease their marketing. While it is important to show customers you care about the hardships that everyone is facing right now, your business must continue to engage in e-commerce marketing to show customers that you are still there for them during this rough time.

Here are some marketing strategies you should consider to survive the impact of COVID-19:

## Optimize Adwords spend

Most e-commerce retailers know the value of using Google Adwords. According to Google, businesses on average make \$2 for every \$1 they spend on Adwords, making it a useful tool for any e-commerce business.

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However, it is not enough for you to launch an Adwords campaign and then push it to the back of your mind. To maximize your cash flow using Adwords, you need to make sure your Adwords campaign is optimized so that it is successful and helps your business remain profitable.

This means focusing on your ad targeting, copy, and analytics:

### (i) Ad targeting

When you had first set up your campaign, maybe there were certain keywords that you had researched and decided they were the best for reaching your target audience. However, to make the most of your campaign, you need to make sure that you are constantly monitoring the success of these keywords and adapting when necessary.

Your target audience may very well be searching for products using different keywords and your products might appeal to a different crowd altogether, so you need to keep an eye on who your target audience is during this time.

### **(ii) Ad copy**

The coronavirus will also influence the way your ad copy is perceived by your target audience. If you want to increase cash flow during this time, you do not want to launch ads that are insensitive considering COVID-19 and its impact on people's health, safety, and income. You will want to create and test new ad copy so that you can make sure that your ads are adding value and not being insensitive to your audience.

### **(iii) Ad analytics**

It is important in this trying time for e-commerce businesses to focus on whether their ads are producing their desired results. If there are aspects of your Adwords campaign that are causing you to lose money, you want to be able to identify these elements and make changes immediately. This way you will be able to make the most out of your ads, increasing your cash flow, and preventing your business from wasting money.

PPC Gear offers actionable insights that you can use to adjust your ads to maximize cash flow as well as a thorough return on spend analysis so that you can prevent yourself from wasting your budget in this economic crisis. Resources such as our machine learning tool, **PPC Gear**, can help your business use analytics to determine which ads are the most productive and which fail to make the cut.

### **(iv) Cut down non-performing marketing channels**

With the insights you gain from PPC Gear and your analytics tools, you can make changes that will help your business save and increase money.

For instance, if there is a specific marketing channel that is not delivering the results you expect (and pay for!), you can decrease or eliminate spending on this channel. This allows you to save money and funnel it into more successful marketing channels that are increasing your profitability instead.

Keeping these tips in mind, your business may be able to survive this economic crisis.

## Reach out to inactive customers

Now more than ever, it might be tempting to cut your inactive customers loose. However, it is the best time for you to reach out to these customers. Doing so will help you rebuild your company-customer relationship, which could lead to them doing business with you either now or in the future.

It can be as much as 10 times more expensive to acquire new business than to re-engage inactive customers. Try adjusting your email marketing strategy so that you are retargeting and reaching out to inactive customers.

Consider this part of Delta's email campaign targeting customers who have not been flying recently due to the coronavirus:



This message allows Delta to demonstrate that it still cares about its inactive customers, and it also gives these customers a reason to fly with Delta again by showing changes they have implemented to their cleaning and health practices.

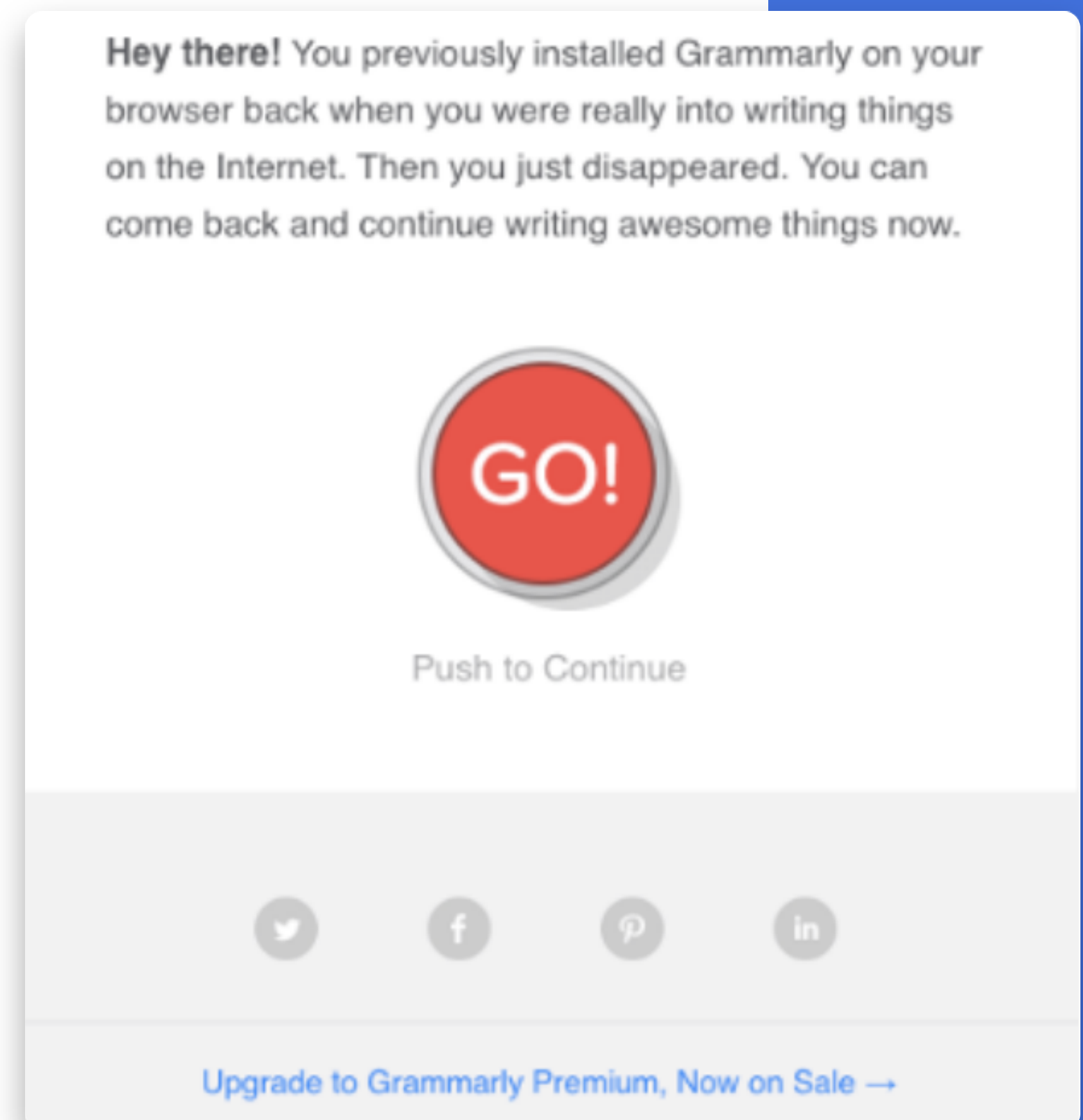


Fandango's retargeting campaign provides another good example of how businesses can reach out to inactive consumers:



This email, with movie recommendations and the subject line "You haven't opened our emails in a while" is enticing to consumers who are looking for something to keep them busy during their time at home. Individuals who may have forgotten all about Fandango or who never had time to watch movies before will now be more likely to reengage with this business.

Grammarly also offers a strong example for reaching out to inactive customers:



Notice how Grammarly not only encourages inactive users to start using their service again, but they also provide a link at the bottom promoting their premium service and offer a discount.

## Reach out to your high-value customers

While businesses need to connect with inactive customers, it is also vital to engage high-value customers. These are the customers who are already making a positive difference for your business, so you must continue to keep them happy by offering them support, discounts, and high-quality content during this time.

Because high-value customers are both **more likely to make purchases** from your business and will spend on average 31% more money than new customers, your business cannot afford to ignore this segment of customers.

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### (i) Continue your email marketing

Email marketing has a high ROI and is a great way for you to connect with your audience and draw them to your e-commerce business. Email marketing can generate as much as **\$44 in revenue for every dollar spent**, and it is one of the most important and effective marketing tools for any e-commerce business.

Now more than ever, it is important that you show your audience that you care by sending them emails about any updates on your business and any discounts or value your business can provide.

### (ii) Stay active on social media

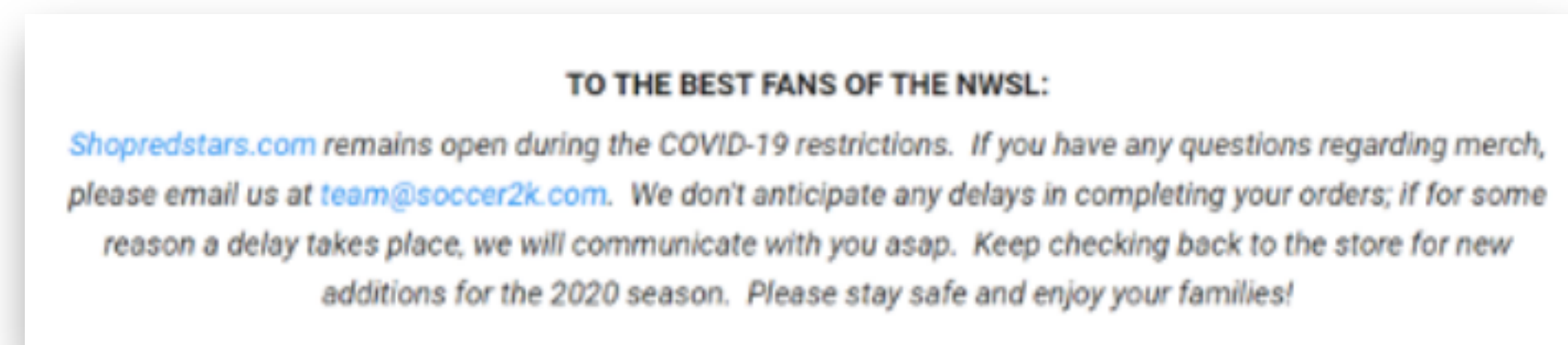
Now is the perfect time for your brand to be more active on social media. Since people are forced to spend time at home, social media use has increased, and there is a greater likelihood that your business can grow its audience and gain new customers by posting regularly on social media.



## Communicate your delivery status clearly

During these uncertain times, it is more important than ever to be transparent with your customers. One of the best ways to maintain this transparency is to communicate your delivery status on your website.

For a strong example of this, we look again at the Chicago Red Stars, who offer their consumers information about merchandise delivery and product delays.



Customers will be far more likely to purchase from a store that is honest about their delivery expectations and lets customers know when they should expect their products.

## Continue advertising

One of the biggest mistakes that e-commerce businesses make when they have a cash flow problem is to stop advertising. While this tactic might seem like it will save money upfront, it will lead to a devastating downward spiral that will be hard for your business to recover from in the long run.

When you stop paying for ads, you save a bit of money immediately, only to realize that your business is not gaining new customers or targeting your existing customers. The small amount of money you save on ads will be nothing compared to the heavy loss of revenue that comes from a lack of advertising.

We know that marketing in the wake of the coronavirus can be challenging, but your business needs to continue to reach out to its audience, stay active on social media, and advertise using a variety of channels to survive the impact of COVID-19.

# GOVERNMENT RELIEF PROGRAMS



# Government relief programs

Government relief programs can help your e-commerce business stay afloat as the coronavirus threatens its profitability and overall cash flow.

On March 27, 2020, the United States Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act to help e-commerce businesses weather the storm brought upon them by the coronavirus.

As a part of the CARES Act, the US government is offering relief money through the Paycheck Protection Program (PPP). While there are other forms of government relief, like SBA disaster loans, PPP loans are the easiest and most efficient option for e-commerce businesses.

Here is some information about PPP loans and steps you can take to help your e-commerce business take advantage of this relief money to stay profitable during the rise of COVID-19.

## What are PPP loans?

PPP loans allow eligible businesses to receive loans that cover up to 2.5 months of payroll for a maximum of \$10 million. Businesses can apply for and receive this loan without any collateral, and it will be fully forgiven if they only spend the money on rent or mortgage payments, utilities, and payroll expenses.

## How can I apply for a PPP loan?

To apply, you simply need to:

- Complete [this application](#) on the US Treasury website
- Apply for a loan at any SBA approved bank or financial institution
- Prepare your previous tax information from 2017-2019
- Provide proof of your payroll costs.

You can learn more information about PPP loans and other government relief programs [here](#).

# 3DCART COVID-19 ECOMMERCE ASSISTANCE FUND



# 3dcart COVID-19 eCommerce Assistance Fund

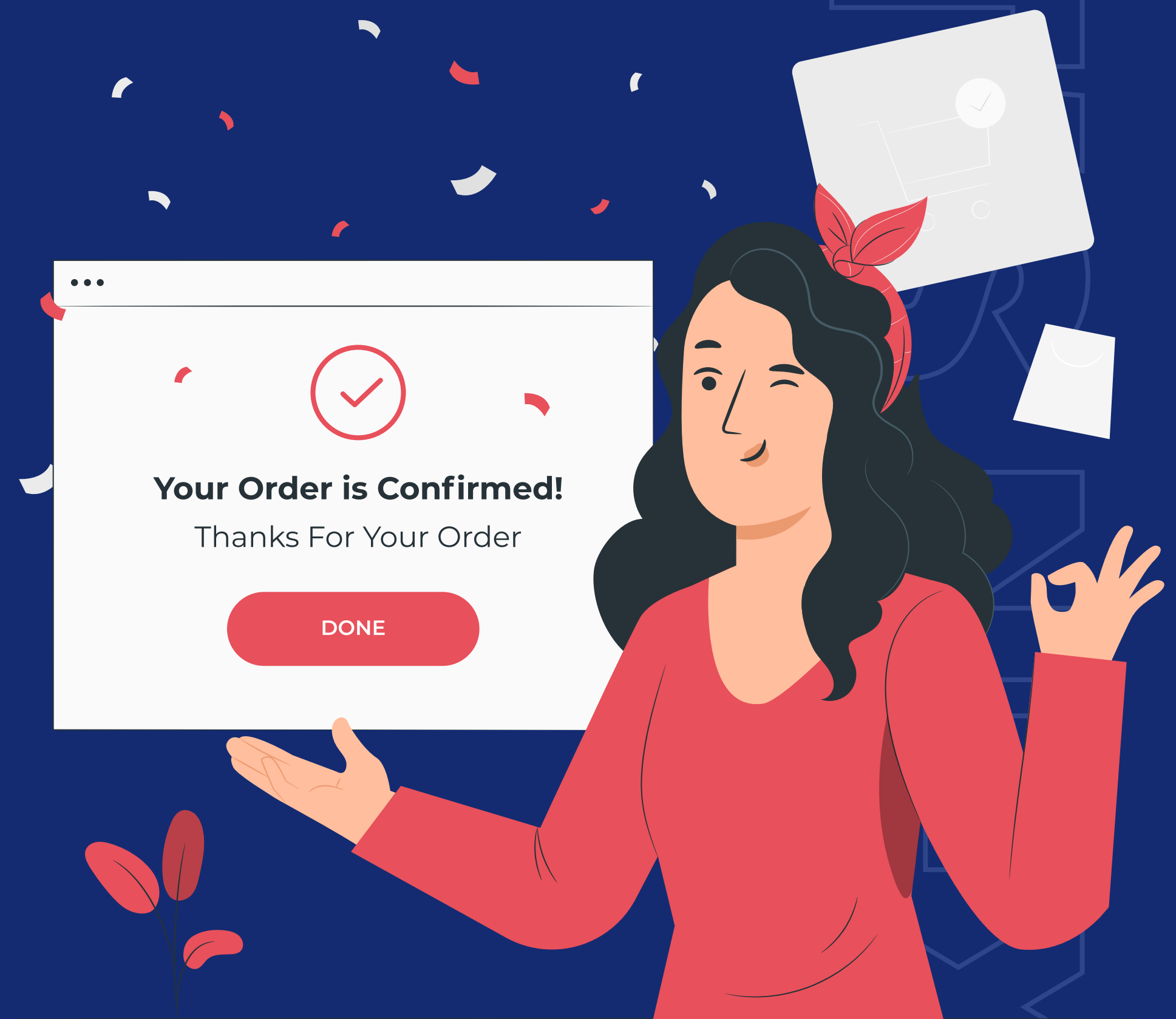
In addition to government relief programs, there are many [private companies](#) that are offering relief for e-commerce businesses right now. One such program, from 3dcart, can help your e-commerce business stay profitable and help customers during this pandemic.

3dcart, an all-in-one hosted e-commerce solution that helps traditional businesses move online, has introduced the COVID-19 eCommerce Assistance Fund, pledging to offer \$2.5 million for businesses looking to transition online and for e-commerce business owners looking to step up their online store and reach more customers.

Businesses who do not already use 3dcart can apply [HERE](#) for 3 free months of their Basic Store plan, which can help them stay online without breaking the bank. Ecommerce businesses that already use 3dcart can still benefit from this assistance fund by applying [HERE](#) for a free plan upgrade for 90 days, \$500 in credit toward SEO services, and \$150 credit toward website themes and apps.



# WHAT'S NEXT FOR E-COMMERCE?



# What's next for e-commerce?

Research shows that e-commerce in a variety of industries is going to boom after this pandemic is over.



Even after stay-at-home order and self-isolation have ceased, certain industries will see immense growth due to a shift in consumer shopping habits based on convenience, preparation, and a return to normalcy.

## Convenience

The increase in online shopping has shown many consumers a whole new world of convenience that they are not soon to forget. Take grocery stores for instance, which have seen **dramatic increases in online grocery shopping** since the start of COVID-19. Many consumers who used online grocery shopping services for the first time during this pandemic will opt to use this service even when this pandemic is over because of their convenience. This pandemic is showing consumers that they can get the products they want and need without spending as much time and energy to get them by shopping online instead.

## Preparation

As a result of this pandemic and the craziness that ensued related to shortages of essential products like toilet paper and disinfectant sprays, many consumers are going to continue to err on the side of over-preparation, even after this pandemic. Ecommerce businesses that sell essential items and household goods have seen a spike in sales due to the pandemic. Hand sanitizer sales in the United States, for instance, have **increased by over 54%** when compared to this time last year. Businesses that specialize in providing essentials will likely continue to see an increase in sales after a vaccine has been made available worldwide.

## Return to normalcy

In the wake of the coronavirus, sales in industries such as fashion have decreased. After this pandemic, industries that specialize in non-essential goods or those that offer products that cannot be used during this time, like tickets to sporting events, will see a rise in revenue as consumers embrace a return to normalcy.

You can keep track of how COVID-19 is impacting a variety of industries in real-time by using our [COVID-19 Ecommerce Analysis](#).

