

Ecommerce Update

Do it Best builds a better path to purchase

Inside a co-op's ambitious plans for a major omni-channel upgrade.

The challenges of modern retail are building every day. Not only are customer expectations rising, so are the competitive pressures from well-funded online competition.

At Fort Wayne, Indiana-based Do it Best, the writing has been on the wall since even before the pandemic-induced surge in home improvement spending: Simply operating a functional e-commerce website isn't enough anymore. Either step into the big leagues, or risk being left behind.

"Gone are the days when it's OK to just put up a sign in your store, calling out your website," says Allison Flatjord, who took on the role of vice president of e-commerce in January.

The ability for all Do it Best members to meet our customers where they would like to do business is no longer a want, it's a necessity. With that principle in mind, our new e-commerce platform is set up to take a 360-degree approach at fulfilling that important need. And, honestly, the most important part of the solution to me is that we will continually adapt, improve and strengthen the e-commerce platform to help all Do it Best members exceed customer expectations.

—Scott Jerousek, owner,
Farm & Home Hardware



Farm & Home Hardware's father-daughter team of Scott and Taylor Jerousek.

Flatjord is one of the architects of Do it Best's new plan—part local, part global—for a platform that's built to win. Among the features:

- ▶ Member microsites are integrated with doitbest.com, with back-end tasks handled by the co-op's experts;
- ▶ Unique merchandise and rewards capability online;
- ▶ A pay-as-you-go, no-initial-cost structure;
- ▶ Profit from ship-to-home product sales at doitbest.com will go to the nearest participating store, even if that store had nothing to do with the sale.

On the following pages, HBSDealer takes a deep dive into the ambitious program, with insights from some of the co-op's early adopters, as well as the leadership team who are bringing the platform to life.

Telling a story that sells

Every business has a story to tell. But for Scott Jerousek, owner of Farm & Home Hardware in Ashland and Wellington, Ohio, there's no story more important than the one that ends with the customer buying a product.

Jerousek, whose credentials include recognition as 2018 NHPA Top Gun and also as an HBSDealer Hardware Store All Star, says that telling a business' story doesn't mean plastering your home page with old-time photos. "It means telling the story of the products that differentiate our business from some of the others, and the service that comes with that," he says.

He points to the outdoor living category, a strong suit for the rural Ohio retailer. "We need to be able to tell folks our story through different landing pages, through product reviews, and even through staff recommendations. It has to be: 'These are the products we're stocking. This is why we stock them. And this is why we think that they can improve your life.'"

That kind of storytelling capability is one of the exciting opportunities of the Do it Best e-commerce initiative. And the ability to be nimble, flexible, and accurate with digital information is one of the keys to unlocking the elite-level omni-channel experience that the co-op is bringing its members this summer.

"Having the ability to easily make some changes or add more content, I think, is going to be huge for us," he adds. "And that's why we're excited with this new initiative coming out from Do it Best. And a huge part of that for us will be getting the correct inventory online so customers can see if the juice is worth the squeeze." In other words: if it's worth placing the order or getting in the car.

Jerousek is a proponent of the idea that in the not-too-distant future, the term "e-commerce" itself will fall into obsolescence, if it hasn't fallen there already. The better term is simply "commerce."

"The expectation is not, do you have a website," he says. "Instead it's: I want to see your inventory. I want to see product suggestions. I want to see reviews. I want to see videos. I want to be able to link that over and purchase everything right there and either pick it up at the store or have it shipped to my address.

"E-commerce is definitely not a different part of your business. It's just part of your business now and an investment that every-body needs to make."

Introducing a game changer

It's global. It's local. It's a platform built to compete in a modern landscape.

At their 2023 Spring Market in Orlando, Do it Best introduced a powerful new e-commerce strategy that integrates online and in-store shopping into a single customer experience. The key driver is to generate and capture as much online activity as possible—increasing both digital and in-store transactions.

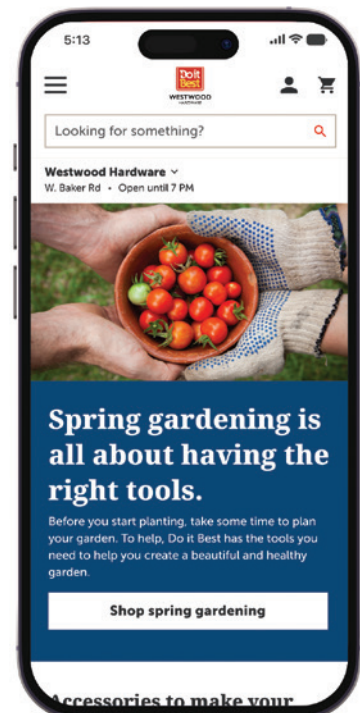
The idea is to not only compete in the increasingly complex e-commerce arena, but to win where it counts most: in the local markets.

"Online retailers like Amazon focus exclusively on having customers order from their website and then ship directly to their home," adds Vice President of Ecommerce Allison Flatjord. "We see a much better path to winning the sale. We have thousands of amazing store locations across the country within a short drive from our online shoppers' homes. We provide an in-store pickup experience that offers a more complete shopping journey, including project advice and add-on sales opportunities, while also increasing foot traffic in our members' stores."

But if you're going to advocate an all-for-one e-commerce strategy, it's got to be backed by a platform with a top-tier level of performance, capability, and reliability. Finding one that checks all the boxes was an exhaustive task for the Do it Best team. They initiated a rigorous RFP process in early 2022 to identify a superior online platform, beginning with top-quadrant e-commerce providers according to Gartner Research, a leading consultant for the IT industry.

"The platforms we reviewed are considered the best of the best," says Flatjord. "In our evaluations, we wanted to ensure we could drive substantial sales increases, and that required a platform with proven national-level retail sales performance—a top-tier experience."

By the end of the review cycle, the group unanimously selected the Adobe platform as the clear winner. "Trusted by retail giants like Nike, Microsoft, and Coca-Cola, Adobe has all the capabilities Do it Best needs to break away from the pack and claim our place as an e-commerce leader," Flatjord says.



SALES BEGIN HERE: Responding to the increased complexity of the e-commerce arena, Do it Best is rolling out a low-cost, high-performance omnichannel platform to help members boost sales online and in-store.

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Platform + purpose: a winning strategy for ecommerce

Through Adobe, the Do it Best Ecommerce team had the resources needed to build a central website that translated the power of a large, brick-and-mortar company into an equally powerful online presence without sacrificing its members' freedom, another key differentiator in a highly competitive field of wholesalers and distributors.

"Our member-owners are outstanding at running their businesses at the brick-and-mortar level, and Do it Best has proven ecommerce expertise," says Ecommerce Development Manager Corbin Prows. "Bringing those elements together creates unbelievable opportunities to drive even more store sales."

The result is an all new doitbest.com, a centralized ecommerce website designed to represent every member business through a best-in-class online shopping experience. Members participate in the Do it Best ecommerce program for a small fraction of the cost and time needed

to establish and run their own ecommerce sites. With this new solution, members are able to promote their individual store brands and everything they have to sell through a powerful digital shopping experience—all while saving time and resources that can be redirected to other areas of their business.

"Our push is to make it possible for every store to present every product they have available and make it even easier for customers to find them," explains Prows. "They won't have to leave our members' sites to search for a particular product they need—if it's not in stock, customers can order it for pickup or home delivery, or find the next nearest Do it Best location that has the item in stock."

Unifying member businesses in a single ecommerce platform creates a number of efficiencies and opportunities that were virtually nonexistent before.

Keeping up with the customers

With 20 Virginia locations, the combined operation of Taylor's Do it Center and Pleasants Hardware has the scope and scale to experiment with its omnichannel strategy, and it has been doing so for decades as an early adopter of numerous Do it Best initiatives.

But there hasn't been an initiative like this before.

Coming soon, and what excites Meg Taylor, representing the fourth-generation of the family business, is an ecommerce platform that "we really couldn't have done on our own, or afforded to do on our own."

The platform formally launches this sum-

"We work hard to keep up with consumer shopping trends and meet their expectations for a convenient experience both online and in-store. Do it Best's investment in omnichannel capabilities excites us. It provides customers with faster navigation and improves search. It also fully integrates our loyalty program to reward our most important customers for their online purchases in addition to in-store."

— **Meg Taylor**, marketing director, Taylor's Do it Center & Pleasants Hardware, Virginia Beach and Richmond, Virginia.



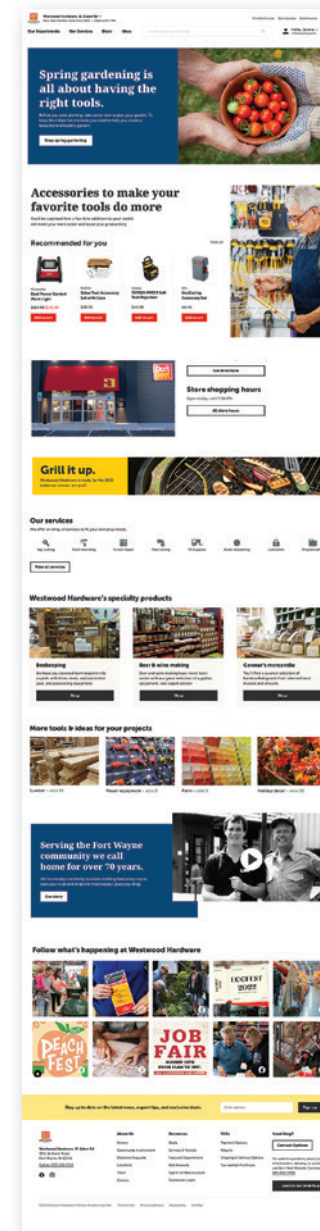
mer. But key elements of the initiative are already generating excitement for Taylor's and Pleasants. They include the ability to easily customize the digital storefront, flexibility in offering products outside the Do it Best warehouse, support for content and search engine optimization, seamless shopping with rewards functionality, reviews, videos, and an engine to drive online shoppers into stores.

Many of those elements are not new, but the game changer is the way in which the co-op will shoulder the responsibility for many of the time-consuming and technical aspects of ecommerce.

"Having the resources to be able to do all of this in our business is a significant move as we compete with the big boxes," Taylor says. "That's why we've been so excited that Do it Best has put such an investment in this area to leverage their efficiencies and create an extremely robust platform."

At Taylor's Do it Centers, and more recently Pleasants Hardware, which joined the family business in 2018, convenience has been a major competitive advantage, Taylor adds. And the importance of convenience has grown dramatically during the pandemic, when buy-online-pickup-in-store became a standard operating procedure.

"We're finding that the customer's journey, whether they complete their purchase online or come into the store, begins online," says Taylor, who brings a professional background in digital marketing to the family business. "We've been involved in working with Do it Best so closely because we want to make sure that we're meeting our customers where they are."



Do it Best's "future-proof" Adobe platform is the same one trusted by retail giants like Nike, Microsoft and Coca-Cola.

Comprehensive store selection

Every one of the tens of thousands of products available in the Do it Best warehouses is represented on doitbest.com. On the members' custom sites, powered by doitbest.com and often referred to as microsites, every item that's in their stores is able to be shown through direct connection to the co-op's full product database or integrated through content concierge services from the Do it Best Ecommerce team.

"We wanted a powerful, state-of-the-art platform that supports all of our stores and their entire inventory," says Prows. "This new platform is a direct reflection of our ability to work together to meet customers' needs and make more sales for our members."

Higher performance, lower member-owner cost

High-performance ecommerce systems aren't cheap, and many business owners are reluctant to make the investment in the initial start-up costs and ongoing fees without assurances of strong results. A unified ecommerce platform removes the cost barrier that might discourage store owners from embracing ecommerce as a central part of doing business today.

"Our platform brings a top-tier service to every Do it Best member, regardless of size or budget," says Flatjord. "It puts our members in the best possible position to see stronger sales results with minimal investment."

Powerful, efficient SEO optimization

Search engine optimization (SEO) practices can uniformly be applied across the platform simultaneously, giving every member an enhanced internet presence in one operation.

"Bringing all our members together on one platform increases the natural search rankings of Do it Best as a whole," says Flatjord. "It increases the SEO value of our site and positions members to be the first and best choice for online customers."

Investing in a foundation for growth

Building on the momentum of two straight years of record-breaking sales, Do it Best is one of the largest member-owned companies serving the hardware, lumber, and building supplies industry. They credit their success to an aggressive growth plan supported by three pillars: maximizing share of wallet, increasing expansion through new locations and acquisitions, and adding more new members to the Do it Best family. Their strategic plan includes a \$100 million investment in state-of-the-art infrastructure being developed to maximize efficiency and enhance agility as they respond to members' needs to drive even more sales in their businesses.

The implementation of a next-gen Distributed Order Management System (DOMS) enhances inventory visibility and product allocation, giving members an effective tool to locate and acquire the products their customers need even more efficiently. DOMS works in tandem with a new Warehouse Management System designed to provide immediate, accurate-to-the-minute inventory information, making the ordering process faster and more productive. Both of these new systems feed into an updated core financials system that collects, organizes, and distributes data for every transaction much more efficiently.

"We have committed considerable resources to create a fully integrated system that helps our members drive more sales with outstanding store performance and an unbeatable customer experience," says President & CEO Dan Starr. "This gives our store owners a tremendous advantage over the competition."

Dan Starr, president & CEO, Do it Best



Maintenance-free ecommerce capabilities

The Do it Best Ecommerce team is able to handle all platform maintenance and updates quickly and easily on behalf of its members.

"Our platform removes a lot of the heavy lift from members," says Flatjord. "By moving all our members onto this single platform, we can handle the day-to-day support work so they can focus on

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...serving all their customers.”

While the new doitbest.com brings member businesses together to build a dynamic online presence, it also preserves the independence that Do it Best members have always valued. When a member establishes their microsite on doitbest.com, they're able to share the unique brand of their store.

Members are able to show their assortments—even with items that don't come from their Do it Best warehouses. Members can create unique inventories that evolve and change to appeal to the widest range of customers. These options include products ordered straight from the manufacturer and locally-sourced favorites, as well as unique regional and seasonal offerings.

“Our site provides space for members to sell their full selection,” says Flatjord. “Giving the customer the power to verify

everything that's available in the store before they go into it is a vital part of delivering an exceptional customer experience, online and in-store.”

A regular source of customer-friendly content

Today's most successful ecommerce sites do much more than list and sell products. They serve as resources for product and project instruction, customer reviews, and even entertainment, fundraising, and community calendars. By providing a variety of relevant and relatable content, retailers build relationships with their customers. These retailers quickly become part of their customers'

Time is money at Foleyhardware.com

In many ways and for many years, Larchmont, New York-based Foley Hardware has served as an example of an aggressively digital, forward-thinking, ecommerce operator. The retailer's website, foleyhardware.com, right now is being promoted as a case study in digital-commerce success by one of its technology vendors.

The site has buy-online-pickup-in-store (BOPIS) functionality. It has featured products. It has “Homeowner tips and tricks.” Owner John Merrell has put countless hours into developing a winning platform.

But even so, foleyhardware.com is bracing for a big improvement—the kind that he and like-minded independents feel is crucial to business success in the high-stakes ever-changing realm of ecommerce.

“When competing against Amazon, let's face it: we're not going to outspend them on search engine optimization and other things,” Merrell tells HBSDealer. “We're going to be more local, and we're going to work to win on a local basis.”

Merrell is eager to roll out Do it Best's new ecommerce platform that is designed to take over many of the time-consuming requirements of this hyper-competitive digital retail space. What Merrell sees coming down the pike is a seamless and versatile—and easy to manage—omni-channel platform.

“For a lot of people, the question is ‘How much time do I have to put into this?’” Merrell says.

On top of that, customers today have high expectations. They expect shopping sites to perform seamlessly, and he pointed to a giant sporting goods retailer as an example.

“I'm a big Dick's Sporting Goods fan because my kids play sports,” Merrell says. “I see them as an example [of omni-channel retailing.] I can buy stuff, I can see related items, I can see other items I might be interested in. I can put stuff in my cart and save it. I can then, if I do make a

“I think one of the most important improvements is all members get a top notch ecommerce platform that will drive sales and customers into their stores while removing set up fees and monthly costs. This model gives every member an opportunity to run a successful and profitable e-commerce website.”

— John Merrell, owner
Foley Hardware,
Larchmont, New York



purchase, use my rewards card for my online purchases and in-store purchases.”

That scenario is increasingly the price of entry, even for a single-store retailer.

“And that's a lot of what we're working on with our new Do it Best platform,” he says.

Making sure the customer comes to your site and stays on your site requires the kind of time and attention to detail that many independents struggle to support. Supplying content for search engine optimization, coordinating with vendors to maximize visibility, ensuring accurate product descriptions—these tasks are soon to be lifted from the shoulders of the retailer and onto the co-op.

“We get busy, and I don't have a lot of time to sit at my desk and do the back-end work that needs to be done,” Merrell says. “So, it's a big thing to have Do it Best doing that for us.”

lives, serving as a trusted, expert resource capable of weighing in on buying decisions.

While it's often said that content is king, most retailers are focused on running their businesses and don't have the time to find the right content to engage their customers. A big part of the new Do it Best ecommerce strategy is to regularly update content to keep the site fresh and exciting. Members are free to be as involved as they want to be and can work with Do it Best to add their own original content to support in-store and community events, promote unique products in their store, recognize employee milestones, and more.

“Our goal is to provide members with high-quality content, including 360° product views, how-to videos, and customer reviews,” says Ecommerce Marketing and Content Manager Brianna Wells. “Our job is to keep online shoppers engaged with their experience.”

To deliver big on this effort, Do it Best has invested in supplier engagement in order to collect the high-quality content that customers will find most relevant. This is an important step forward, taking the burden off the stores and streamlining the process of presenting a comprehensive shopping experience tailored to each store.

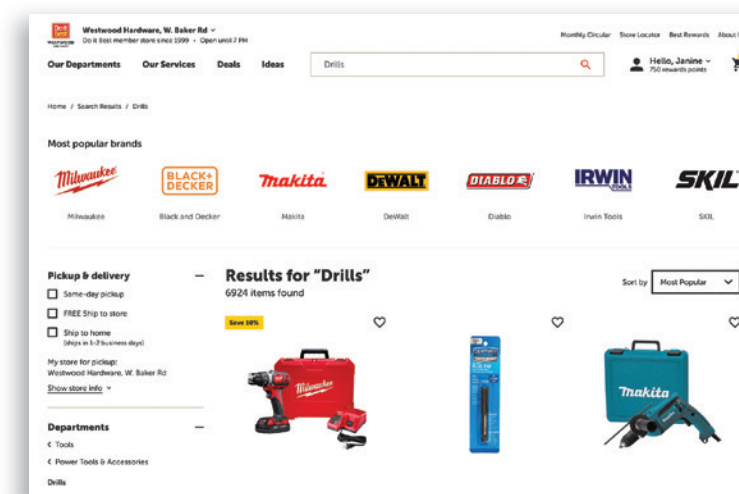
“Our supplier engagement team works directly with vendors to source high-quality content that's compelling for customers,” says Wells. “Our members are really going to enjoy the simplicity that comes with a single source to pull content from, plus vendors and suppliers will like having a single source to send content to—everybody wins.”

Built to grow sales for the long haul

“Adobe is definitely the best fit for us, given everything we want to accomplish,” says Flatjord. “It makes it possible to deliver the best member experience and the best customer experience bar none.”

“The Adobe platform sets the standard for presenting and marketing products and easily guiding customers through the

Individual members have more power to showcase their unique inventory—even items that don't come from their Do it Best warehouses.



COMMERCE ADVOCATES: Do it Best's Ecommerce Team includes, from left, Corbin Prows, Allison Flatjord and Brianna Wells.

buying process—but what really sets it apart is the potential for personalizing the shopping experience to each customer,” adds Prows. The strategy behind the Adobe platform includes mapping customer journeys through numerous data points, giving Do it Best members the insights they need to offer highly personalized online shopping experiences that mirror the in-store experience.

“The platform gives us statistical insights so we can create a tailored shopping experience for everyone,” says Prows. “It refines the individual experience a little more every time they shop—and that leads to increased conversion rates.”

In addition to a continuously refined shopping experience, the new doitbest.com fully integrates with the Best Rewards loyalty program within the platform. Customers can earn and use rewards online—further integrating the personalized shopping experience today's consumer expects, regardless of being in-store or online.

The platform also supports the growth-focused Do it Best ecommerce strategy.

“Adobe has a suite of products and services that work together seamlessly, and they're always adding more,” adds Prows. “It will grow and evolve as our ecommerce efforts grow and evolve. We can continually expand without having to search for add-ons from other platforms, so it really is future-proof.”

The new doitbest.com represents a major strategic investment to deliver a unified online presence for Do it Best members, allowing them to compete and win in a rapidly evolving marketplace. Combined with the other growth-focused infrastructure investments, Do it Best continues to capitalize on the momentum they've been generating.

“The best way for us all to drive growth is to help our members' stores capture a greater share of online sales and drive more of those customers into their stores through same-day pickup,” says Do it Best CEO Dan Starr. “Commerce is commerce, whether it's online or in-store.” **HBS**