

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

The pandemic only accelerated that trend, with US ecommerce sales growing 44 percent over the course of 2020. With most brick-and-mortar locations having to close at least...

Amy Vetter • May. 05, 2021



For years now, e-commerce has grown its share of the market by leaps and bounds. The pandemic only accelerated that trend, with US ecommerce sales growing **44 percent** over the course of 2020. With most brick-and-mortar locations having to close at least temporarily, even traditionally online-averse businesses found ways to get creative and pivot to a new reality. While these methods served as a lifeline during troubling times, they also present accounting challenges for businesses.

Two of the most popular contemporary methods of selling online are the use of

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

A sales channel is a platform through which a business can sell its goods and services. If a retailer owns a store where they sell products, that's a channel. In the digital marketplace, however, many businesses rely on a slew of channels to offer maximum exposure to potential customers. It's not uncommon for a business to have an ecommerce website of their own as well as selling on Amazon, eBay, Etsy, and more.

In addition to the possibility of increased sales, adding channels gives businesses a lot more to track. They need to be able to share inventory units across channels, consider the fees and landed costs associated with each channel, and devise their strategy in a way that leverages the benefits of each channel while not bogging them down in the minutiae of managing everything.

It's important for accountants to familiarize themselves with popular channels and inventory management issues that can arise from multi-channel commerce. The main reason that most businesses don't add channels is fear of being able to provide the same excellent customer experience across channels. If you have the skills to help them achieve that goal, you can help them grow in a big way.

Third-party partnerships

Have you ordered from a delivery app in the past year? If so, you know first-hand how prevalent [third-party transactions](#) have become. In addition to delivery apps, many businesses have partnerships with other vendors who put their products in, say, delivery grocery boxes. Like adding sales channels, these programs increase a business's reach. However, they can also come with serious drawbacks.

Many [articles](#) have been written about whether delivery apps are good for restaurants in the long term. While a vital lifeline during the pandemic, many

restaurants hope to divorce themselves from the practice as pandemic restrictions

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

precisely the areas where firms need to be willing to step in and help their clients.

As accountants, we have the power to consult our clients on best practices, powered by data and familiarity with their operations, markets, and concerns. In today's ecommerce-powered marketplace, understanding multiple channels and third parties is essential in providing the sharpest advisory services. If you can grasp these concepts today, you'll stand to create a better tomorrow for both your firms and your clients. The pandemic may have expedited the transition to ecommerce, but the wave was always coming. Now it's on us to make sure our clients catch it and we are ready to service them.

Accounting • Advisory • Benefits • Firm Management

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved