

SURVEY | SPRING 2023

In-House Inventory Management Techniques and Trends

 WEBGILITY®



Methodology

Webgility commissioned Pollfish in February 2023 to survey 800 online sellers ages 18+ in the US, the UK, Australia, and Canada about their most common inventory management challenges and the state of ecommerce inventory today. Respondents manage physical inventory in-house, have been selling online for at least one year, and sell on marketplaces like Amazon, Etsy, eBay, Walmart, and online storefronts via providers like Shopify, Wix, BigCommerce, and WooCommerce. Pollfish is an independent marketing and consumer insights platform. This data is available for use under Creative Commons with proper attribution to Webgility (www.webgility.com).

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Screening Questions

Screening Questions

Where do you sell the most goods online? If you sell in more than one channel, select the channel where you sell the most.

Sales Channel	Percent	Count
Amazon	22%	176
Etsy	16.38%	131
Walmart	8.63%	69
eBay	41.5%	332
Alibaba	0%	0
Social media platforms (i.e., Facebook, Instagram, TikTok)	0%	0
An online storefront via Shopify, Wix, BigCommerce, WooCommerce, etc.	11.5%	92
Other	0%	0
None of the above	25.12%	201

Total: 800

Screening Questions

How long have you been an online seller?

Online Seller Length	Percent	Count
I'm not an online seller	0%	0
Less than 1 year	0%	0
1-2 years	37.63%	301
3-5 years	37.25%	298
6+ years	25.12%	201
		Total: 800

What kind of inventory do you manage?

Types of Inventory	Percent	Count
I sell digital goods	0%	0
I don't manage physical inventory	0%	0
I manage physical inventory in-house	100%	800
I outsource inventory management	0%	0
I dropship	0%	0
		Total: 800

Stores and Account Management

Stores and Account Management

What accounting software do you use to manage online sales?

	Percent	Count
A QuickBooks product (Online, Desktop, Self-Employed, etc.)	40.76%	326
Freshbooks	5%	40
Xero	7.5%	60
Neat	4.38%	35
Kashoo	3.75%	30
Netsuite	2.38%	19
I use spreadsheets (i.e., Microsoft Excel and Google Sheets)	23.88%	191
I don't do any accounting for my online sales	12.25%	98
Other	0.13%	1
		Total: 800

You said you sell the most goods on [recall answer from SQ2]. Do you sell on more than one channel?

	Percent	Count
Yes, I sell on more than one channel	51%	408
No, I only sell on the one channel	49%	392
		Total: 800

Inventory Techniques and Challenges

Inventory Techniques and Challenges

What's your biggest inventory-related challenge?

	Percent	Count
Keeping pricing and counts consistent across stores and business applications	9.63%	77
Overselling items before I can restock	8.5%	68
Restocking popular items	10.25%	82
Overstocking items I can't or haven't sold	9.25%	74
Supply chain delays	9.63%	77
Forecasting inventory or understanding seasonal trends	7.12%	57
Keeping SKUs consistent across stores and business applications	4.13%	33
Tracking sales across stores and business applications	4.75%	38
Understanding profit and loss for each item I sell	11.13%	89
Reselling returned items	8.75%	70
Losing items to orders shipped but refunded	9.13%	73
None of the above	7.75%	62

Total: 800

Inventory Techniques and Challenges

What's your preferred inventory management technique?

	Percent	Count
ABC analysis: You identify and rank items according to demand, cost and risk, and other factors.	12.75%	102
Batch tracking: You group similar items to track expiration dates and trace defective items.	8.5%	68
Consignment: You don't own your inventory and don't pay a supplier until you sell a given product.	8.13%	65
Demand forecasting: You use analytics to stock inventory based on predicted customer demand.	10.5%	84
Economic order quantity (EOQ): You use this formula to know how much inventory you should order to reduce holding and other costs.	6.75%	54
First in, first out (FIFO): You move the oldest stock first.	12.25%	98
Last in, first out (LIFO): You sell your most recently purchased inventory first.	3%	24
Just-in-time (JIT): You maintain the lowest stock levels possible before you restock.	6%	48
Minimum order quantity: You order the least amount of inventory possible to keep costs low.	4.63%	37
Reorder point formula: You calculate the minimum amount of stock you should have before reordering.	5.13%	41
Perpetual inventory management: You record stock sales and usage in real time.	3.75%	30
Safety stock: You always keep extra stock on hand, in case you can't reorder it later.	5.63%	45
I don't follow any particular inventory management technique.	13%	104
Other	0%	0

Total: 800

How confident are you in your preferred inventory management technique?

	Percent	Count
Extremely confident	19.83%	138
Moderately confident	35.63%	248
Slightly confident	19.54%	136
Neither confident or unconfident	6.9%	48
Slightly unconfident	5.89%	41
Moderately unconfident	6.75%	47
Extremely unconfident	5.46%	38

Total: 696

Inventory Management Trends

Inventory Management Trends

On average, how much time do you spend on inventory management per week?

	Percent	Count
Less than an hour	12.63%	101
1-5 hours	28.38%	227
6-10 hours	24.13%	193
15-20 hours	13.25%	106
21-30 hours	9%	72
31-40 hours	6.38%	51
40+ hours	6.25%	50
		Total: 800

How much time have you spent on inventory management this year compared to last year?

	Percent	Count
I've spent more time on inventory management this year.	34.75%	278
I've spent the same amount of time on inventory management this year.	48.5%	388
I've spent less time on inventory management this year.	16.75%	134
		Total: 800

Inventory Management Trends

On average, how many inventory items do you have on hand at any given time?

	Percent	Count
Less than 100	26.38%	211
101-500	30%	240
501-1,000	18.75%	150
1,001-5,000	12.38%	99
5,001-10,000	6.88%	55
10,000+	5.63%	45
		Total: 800

How has your inventory changed in the last year?

	Percent	Count
I've kept more inventory on hand in the last year.	36.75%	294
I've kept the same amount of inventory on hand in the last year.	44.38%	355
I've kept less inventory on hand in the last year.	18.88%	151
		Total: 800

Inventory Management Trends

How have your sales changed in the last year?

	Percent	Count
I've sold more items in the last year.	37.13%	297
I've sold about the same amount in the last year.	38%	304
I've sold fewer items in the last year.	24.88%	199
		Total: 800

How much money have you spent on inventory in the last year?

	Percent	Count
I've spent more money on inventory in the last year.	35.25%	282
I've spent the same amount of money on inventory in the last year.	44.75%	358
I've spent less money on inventory in the last year.	20%	160
		Total: 800

How Online Sellers Would Rather Spend Their Time

How Online Sellers Would Rather Spend Their Time

What would you do for your online business if you could spend less time on inventory management?

	Percent	Count
Come up with new product ideas	13.13%	105
Better understand my profitability	15%	120
Forecast my inventory needs	10.38%	83
Better understand my customers' needs	11.63%	93
Advertise my stores/items on social media	12.38%	99
Open a new store on another channel	10.5%	84
Educate myself on better business management practices	14.75%	118
Improve customer experiences	11.5%	92
Other	0.75%	6
		Total: 800

What would you do for yourself if you could spend less time managing your online store(s)?

	Percent	Count
Sleep more	9.88%	79
Take a vacation	13.13%	105
Get a part-time job	5.25%	42
Start another business	9%	72
Exercise more	13.75%	110
Read more	9%	72
Hang out with friends and family more	14.75%	118
Catch up on TV	8.25%	66
Walk my dog more	5%	40
Start a new hobby	11.63%	93
Other	0.38%	3
		Total: 800

Seller Demographics

Seller Demographics

Gender

	Percent	Count
Male	48.88%	391
Female	51.13%	409
Total: 800		

Country

	Percent	Count
Australia	8.5%	68
Canada	10.25%	82
United Kingdom	33.88%	271
United States	47.38%	379
Total: 800		

Age

	Percent	Count
18-24	12.63%	99
25-34	28.38%	204
35-44	24.13%	248
45-54	13.25%	140
54+	6.25%	109
Total: 800		

Employment Status

	Percent	Count
Employed for wages	43.63%	349
Self-employed	23%	184
Out of work and looking for work	9.63%	77
Out of work but not currently looking for work	2.88%	23
Homemaker	8.13%	65
Student	6.25%	50
Military	0.75%	6
Retired	3.38%	27
Unable to work	0.38%	3
Other	2%	16
Total: 800		

About Webgility

Webgility is flexible, powerful ecommerce automation software that connects your ecommerce apps to your accounting solution. Connect QuickBooks Online or QuickBooks Desktop to ecommerce stores, marketplaces, and point-of-sale systems — no IT necessary. Webgility makes it easy to adopt new sales channels, so you find new customers and sell more.

Webgility was founded in 2007. Today, it's the No. 1 integration for QuickBooks users. The platform serves over 5,000 businesses and processes over 80 million transactions annually. All plans include free five-star onboarding and support. www.webgility.com/start-your-journey