

Distribution Strategies: Action Sports Manufacturing

The Challenge

As a manufacturer of Action Sports Products, your Retailers are vital to the success of your business. Frequently, Manufacturers depend upon their Retailers to educate, assemble, and service their products as well as maintain relationships with the end user. However, Retailers may not have the capacity, or customer demand, to carry all of your products all of the time nor can they be available to every customer on demand.

Consumers are becoming increasingly reliant upon the convenience of the internet for researching and buying products. In today's environment, the "connection generation" expects a direct relationship with the brand but also wants an offline "real person" resource.

Retail sales online are expected to grow at an average rate of 18.6% per year between 2005 and 2010, to reach \$331 Billion, when the Internet will account for 15% of all retail sales, according to US Retail eCommerce Report. Ignoring consumer demand and not selling online will eventually translate into lost revenues and profitability.

Referring online customers to Retailers often results in defection of that customer to a competitive brand and always results in a loss of brand experience and control. Allowing Retailers to sell online diminishes your brand and provides a high potential for price degradation.

Your challenge is to meet consumer needs and wants, when and how they wish, offering 24/7 online ordering in such a manner so as to build relationships between your Retailers and consumers, while preventing customer defection, securing the sale, protecting your brand and its perceived value without encroaching on Retailer profitability.

The Solution

Reshare Corporation offers Distribution Relationship Management® (DRM) for eCommerce, a patented software solution that allows a manufacturer to sell products directly from their website WITHOUT alienating existing distribution/retail channel partners. Reshare applies your existing business rules from the offline world (e.g. percentage commission of manufacturer reps and

markup of Retailers) to online sales and acts as a third-party that is invisible to the consumer.

To support the relationship between your Retailers and their customers, customers are required to identify their Retailer at some point in their online experience. Depending upon your preferences, this may be upon entering your website, browsing products, adding products to a shopping cart, or at check out. The identified Retailer receives profit from the sale, retains "ownership" of the customer, and serves as the customer's resource for order-related customer service questions/issues. The Retailer may provide delivery, assembly, repairs and return services, depending upon the products involved.

Similarly, new customers are prompted to select a Retailer based upon your business rules. This may be geographic, territorial, by product line, partner performance (or lack thereof), service abilities, inventory levels, and the like. Reshare allows you to maximize your revenue stream while redirecting sales & marketing costs to more lucrative ends. Your Retailers enjoy additional revenues and improved efficiency. You have complete control of how products are branded, presented, marketed and sold.

In the Action Sports Industry a key to brand building are "recommenders". These are the end users, celebrities and professionals that use your products and influence others to purchase them based on performance, trends and availability. This invaluable resource of boarders, skaters and extreme sports enthusiasts can also be rewarded for their recommendation of your products. All they need to do is register with you or one of your Retailers and they will receive a commission or perk based on your designated amount. This motivation of customers already using your products will help build your brand faster and keep customers from defecting to other less "user-friendly" competitors.

Reshare develops cohesive strategies to build a sustainable competitive advantage for you and your channel partners. Reshare, acting as an impartial party who processes payments and provides reporting to all channel partners, ensures that trust is established up and down the distribution chain.

Patented Software

Reshare offers the only patented (US# 6,594,641 and foreign countries) software that enables you to:

- Sell direct to consumers and share revenues with Retailers
- Enable consumers to locate and select an appropriate Retailer
- Credibly demonstrate fairness to Retailers
- Maintain existing relationships between Retailers and the consumer

Benefits

- Increase market share
- Target the “connection generation”
- Enable all Retailers to offer all of your inventory 24/7/365
- Provide increased customer satisfaction by meeting consumer demands when and how they wish them to be met
- Provide 24/7/365 ordering for consumers AND Retailer buyers
- Assure local Retailer service, support and warranty coverage
- Utilize valuable recommenders to grow and enhance your brand
- Gain access to invaluable consumer information to enhance market research and product development strategies within your specific target market
- Reduce non-performing inventory and overstock
- Up-sell and cross-sell YOUR branded products
- Expand the geographic reach for your products and your Retailers
- Allow special orders easily and speedily
- Reduce delivery time, shipping costs and handling on special or custom orders
- Consumers choose their Retailer to pickup, assemble and service your products
- Increase Retailer stocking/display space based upon level of offline performance
- Retailers direct consumers to your brand website
- Increase field sales staff productivity by enabling them to spend more time educating instead of order taking
- Leverage power and recognition of your brand for you and your Retailers
- Thwart online discounters and other grey market goods suppliers by providing consumers with an authentic purchasing experience.

Preventing Customer Defections

Customer Defections attack profitability. Lack of inventory or availability, and presentation of competitive merchandise (e.g. online/offline partner referral) often causes defection. By offering partners and brand-seekers product on the brand website, costly defections are avoided. A Harvard University study shows that by retaining just five percent of your customers, profits rise by no less than twenty-five percent. Direct online sales with Distribution Relationship Management can help you to grow the long-term value of your partners and customers.

Return On Investment

A strong return on investment can be realized through many quantitative and qualitative factors. First and foremost, ROI is delivered through additional sales captured by new customers, increased sales conversion and increased order size. ROI is further enhanced by ordering efficiencies realized through electronic processes. Lastly, maintaining or improving brand equity, preventing customer defection and expanding product breadth, depth and geographic reach all have a positive effect on the ROI. We also offer lower transaction fees than any other channel conflict solution providers.

Internet & Channel Experience

Reshare® is the leading Distribution Relationship Management® (DRM) software and strategy company with the only patented DRM solution that enables manufacturers and brand owners to sell online directly to end users without circumventing their valuable channel partners. With over 20 years of online experience across a multitude of industries, our software and strategies resolve channel conflict, guarantee complete brand control and enhance relationships between all channel partners and end users while increasing revenue, market share and profitability.