

# Distribution Strategies: Apparel Manufacturing

## The Challenge

As an Apparel Manufacturer, your Retailers are vital to the success of your business, however, they are generally unable to carry all of your SKUs and are rarely open 24/7/365 to service all of your customers.

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

Retail sales online are expected to grow at an average rate of 15% per year between 2004 and 2010, to reach \$331 Billion, when the Internet will account for 13% of all retail sales, according to leading analyst Forrester Research. 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. It is a patented software solution that allows a manufacturer to sell its products directly from its website WITHOUT alienating its existing distribution/retail channel partners. Reshare acts as a third-party that is invisible to the consumer. Reshare applies your existing business rules from the offline world (e.g. percentage commission of manufacturer reps and markup of Retailers) to online sales.

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 profits 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, installation, assembly, maintenance, repairs and return services, depending upon the equipment 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. Reshare develops cohesive strategies to build a sustainable competitive advantage for you and your channel partners. By acting as an impartial party who processes payments and provides reporting to all channel partners, Reshare 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

## Additional Benefits

- ∑ Increase market share
- ∑ Target baby boomers with disposable income
- ∑ Improve cashflow
- ∑ Enable all Retailers to offer all of your inventory 24/7
- ∑ Provide increased customer satisfaction by meeting consumer demands when and how they wish them to be met
- ∑ Provide 24/7 ordering for consumers AND Retailer buyers
- ∑ Assure local Retailer service and support
- ∑ 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
- ∑ Reduce delivery time, shipping costs and handling on special or custom orders
- ∑ 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.

## Multi-Channel Shoppers Spend More

Multi-channel shoppers spend more than single channel shoppers. By way of example, last December the average single channel shopper spent \$591, the multi-channel shopper spent \$995. This translates into additional sales for you both online and off.

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