

Distribution Strategies: Lighting Industry Lighting Gateway Inc.

Your Challenge

As a vendor supplier to the Decorative Lighting Industry, your retailers are vital to the success of your business. However, end users such as homeowners, interior designers, custom builders, residential architects, purchasing firms, hotels, and other consumers ultimately purchase your products. In the era of "one-to-one relationship marketing", the Internet presents an unparalleled opportunity for brands and/or manufacturers to economically and effectively nurture a direct relationship with end users.

In today's electronic information age, web-surfing customers look for and expect a direct relationship with manufacturers. They want selection, availability, information, pricing and the ability to buy! With thousands of SKU's, specialty retailers can only represent a small fraction of your available products on their showroom floors. The challenge for vendor suppliers is to have more of your product offerings visible for sale to end users in a way which enhances the relationship with retail channel partners while delivering the selection, information, and immediate access which end users/consumers demand.

The Solution

Lighting Gateway Inc., provides lighting vendor suppliers with online business strategies, services, and eCommerce solutions coupled with channel management software, all of which empowers vendor suppliers to develop a one-to-one relationship with end users, leading to enhanced sales and profits.

We are the exclusive worldwide licensee of Reshare's Distribution Relationship Management™ software, ("DRM") in the Lighting Industry. DRM is the only patented channel management solution that enables vendor suppliers to sell directly to end users online, while preserving and rewarding their valued distribution channel relationships, with a "share" of the revenue generated from those sales, in a similar manner, as if the purchase was made offline. Everybody wins...Consumer, Retailer & Supplier!

Our internet strategy services enable vendor suppliers to harness the many benefits of launching and/or managing online sales & marketing initiatives, in support of: driving increased sales, accessing strategic product development insights, enhancing brand management & positioning, driving sales and clients to authorized distributors and reducing costs for retailer order placement, processing and fulfillment.

By utilizing DRM, vendor suppliers can operate their own branded website where prospective customers can view, access and purchase from a complete product catalog. DRM assures that channel partners that would have been involved in a sale through their retail location, receive profits for the online sale, in a manner similar to those that would have occurred in an in-store, offline transaction. All relationships between the end user, retailer, vendor/supplier and other intermediaries remain intact.

All parties to the transactions now gain significant visibility into buying habits, design trends, preferences, geo-demographic profiles and other behavioral and statistical intelligence of end users, in support of improved business planning, practices and performance. Vendor suppliers are also able to utilize DRM software to facilitate online purchasing from their authorized dealer network at wholesale, in support of reducing the transactional costs associated with conventional order input and processing.

Reducing Non-Performing Inventory

The reduction of non-performing inventory (NPI), including overstocked merchandise, is one of the most significant challenges the Lighting Industry faces today. This challenge continues to grow as product lines and inventories continue to expand. We provide vendor suppliers with a vehicle to market and sell their NPI to the entire marketplace, at both wholesale and retail levels, in a manner that does not harm their brand or diminish the perceived values of the rest of their products, while increasing sales of such undesirable inventory and thus improving financial health and stability.

Synchronizing Product Development with Customer Wants

The direct connection with end users through use of DRM, and the visibility this provides into purchasing patterns, style preferences, trend analysis, geo-demographic and psychological information, provides vendor suppliers with strategic intelligence for valuable improvements in product development plans and design direction. With this information, in advance of investments in design, tooling, inventory, marketing and sales, vendor suppliers can achieve significant measurable results. There are numerous opportunities for improvements in product development processes and enhancing retail sell thrus and inventory performance within the lighting industry. The days of "guessing" what end users want, need not continue to be a failed component of vendor suppliers' product development activities.

Increases Efficiency Across Distribution Channel

The ability for channel partners and end users to automate all of their purchasing activities substantially reduces order-processing costs across the entire channel. Industries have seen cost reductions of as much as 72% as a result. Moreover, the use of online ordering greatly reduces order-taking time for buyers and salespeople. This frees up those in sales roles to focus more on value-added customer service and prospecting, while it frees up retailer buyers to focus more on customer service, merchandising, sales and marketing.

Complete Catalog Availability

Retailers cannot and do not actively stock or display more than 10% of the entire product line of most vendor suppliers. This reality means that 90% of a vendor suppliers' sales potential is at rest! Through implementing DRM, the vendor supplier's entire product catalog becomes available to all retailers and end users, all of the time. This delivers significant enhancements and results for vendor suppliers, retailers and end users. Today's end users demand and deserve broad product selection access, providing them with design options and/or personalization for their particular design needs and tastes.

Patented Software

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

- Σ + Gain access to valuable customer information and feedback
- Σ + Sell direct to end users and share revenues with retailers and other intermediaries
- Σ + Maintain existing relationships between retailers and end users
- Σ + Enable end users to locate and select an appropriate retailer
- Σ + Credibly demonstrate fairness and reciprocity to retailers
- Σ + Reduce Order processing costs, across all channel partners, in aggregate of up to 72%
- Σ + Increase order size as the result of ease of use and access
- Σ + Provide 24/7 ordering availability
- Σ + Increased order accuracy
- Σ + Decrease inventory needs, creating decreased insurance costs, inventory loss, damage, etc.

The Future Growth of the Internet

In 2005, worldwide online spending is expected to reach \$6.8 trillion for business-to-business and business-to-consumer transactions. Nearly half of this amount is expected to be within the United States. U.S. retail sales online are expected to grow at an average rate of 15% per year, between 2004 and 2010, from \$141 Billion to \$331 Billion, when the web will account for 13% of all retail sales, according to Forrester Research. How much of this growing market and change in end users purchasing patterns and behavior, do you want to enjoy? What could be the impact and results of positioning your company and customers to enter into this dynamic and expanding online marketplace more fully than either are currently experiencing?

Industry, Internet & Channel Experience

The founders and management team of Lighting Gateway, Inc. consists of leading experts in the lighting, furniture, distribution and software industries, with specific experience germane to the undertakings of the Company. With over 20 years of online experience across a multitude of industries, we offer software and strategies, which resolve channel conflict, guarantee complete brand control and enhance relationships between all channel partners and end users.

Reshare Corporation

5051 Highway Seven
Minneapolis, MN 55416-2282

Local 952.908.0818

Toll Free 866.908.0818

www.reshare.com