

# Distribution Strategies: Automotive Specialty Equipment Manufacturing

## The Challenge

As a manufacturer of Automotive Specialty Equipment Parts, your Warehouse Distributors, Dealers and Installers are vital to the success of your business. Competitive pressures of expanding suppliers with increasing product offerings and the impact of the Internet has made it increasingly difficult for Dealers to inventory, showcase or recommend even a fraction of your product selection.

Consumers are becoming increasingly reliant upon the convenience of the Internet for researching and buying products. This is especially true with the demographic profile of Specialty and Performance Products purchasers. In today's environment, the online consumer expects a direct relationship with manufacturers but also wants the support of a real person offline.

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 translates into lost revenues and profitability. Referring online customers to Dealers often results in defection of that customer to a competitive brand and always results in a loss of brand experience and control. When WDs and Dealers sell online, it 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

24/7/365 online ordering in such a manner so as to build relationships between you and your WDs, Dealers and consumers, while at the same time preventing customer defection, securing the sale, protecting your brand and its perceived value, all without encroaching on anyone's 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 Distributors, Dealers or Installers. Reshare acts as a third-party that is invisible to the consumer yet essential to the channel. Reshare applies your existing offline business rules (e.g. typical profit percentages of Warehouse Distributors, Dealers, sales representatives and installers) to online sales.

To support the relationship between your WDs, Dealers and their customers, customers are required to identify their Dealers at some point in their online experience. The identified Dealer profits from the sale, retains "ownership" of the customer, and serves as the customer's resource for order-related customer service questions/issues. The Dealer may provide installation, maintenance, repairs and return services, depending upon the equipment involved. Correspondingly, the WD that would normally supply the Dealer profits from the sale and is often involved in fulfillment.

Similarly, new customers are prompted to select a Dealer 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 Dealers 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 WDs, Dealers & Installers
- Enable consumers to locate and select an appropriate Dealer/Installer
- Credibly demonstrate fairness to all channel partners
- Maintain existing relationships between Dealers and the consumer and between each of your channel partners

## Additional Benefits

- Increase market share
- Improve cash flow and reduce bad debt through credit card sales

- Enable all Dealers to offer your entire inventory
- Provide increased customer satisfaction by meeting consumer demands when and how they wish them to be met
- Provide 24/7/365 ordering for consumers, Dealers & Installers
- Gain access to invaluable consumer & Dealer information to enhance market research and product development strategies within your specific target markets
- Reduce non-performing inventory and overstock
- Up-sell and cross-sell YOUR branded products
- Expand the geographic reach for your products and your Dealers
- Reduce delivery time on special or custom orders
- Reduce fulfillment, shipping and handling costs for entire channel by reducing touch points
- Enable WDs to spend more time educating instead of order taking
- Leverage power and recognition of your brand for you and your WDs and Dealers
- Disempowerment of unauthorized retailers - thwart online discounters and other grey market good suppliers by providing consumers with an authentic purchasing experience.
- Be assured of local WD and Dealer service, support and warranty coverage.
- Order processing cost reduction of up to 72% across all channel partners
- Increased order size of up to 30% in some industries from ease of use and access
- Increased order accuracy
- Reduction in handling, loss, theft, damage, & insurance
- Absolute brand control

## Preventing Customer Defections

Customer defections attack profitability. Lack of inventory, or availability, and presentation of competitive merchandise (e.g. online/offline Dealer referral) often causes defection. By offering WDs, Dealers 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.

## Streamlining Order Taking

The ability for your WDs and Dealers to use Reshare DRM to automate all of their purchasing with you, will substantially reduce your order processing costs for everyone. Some industries have seen cost reduction of up to 72%. Moreover, the use of online ordering greatly reduces order-taking time. This frees up those in sales roles to focus more on value-added customer service and prospecting.

## Special Order Processing

Special orders are often the bane of any part of the distribution chain. Manufacturers generally do not package items that can easily convert to a single item shipment. WDs and Dealers expend time, manpower and specialized

attention for special orders that create extra costs and handling. With DRM, special orders can easily be placed in the store eliminating inaccurate orders, improving the turn time for special items and enhancing the brand experience. Customers expect service that will satisfy their desire for items not in the store.

## 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 22 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.

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