

Distribution Strategies: SnowSports Industry

Industry Background

The SnowSports Industry is looking for avenues that lead them to higher profits, strengthen the relationships with their valuable Specialty Retailers and ultimately serve end-consumers better. One of these opportunities is the Internet.

One barrier to eCommerce with SnowSports manufacturers is the fear that their Retailers will not accept online sales practices due to channel conflict. There are solutions to this problem, some mighty and some meek, that claim to adequately meet the needs of you and your channel. Choosing which solution is right for SnowSports manufacturers requires understanding the difference between what is fair and enhances the channel and what creates channel conflict and disregards channel loyalties.

The building blocks of customer loyalty are established long before an order is placed or delivered. According to Forrester Research, the vast majority of consumers consider themselves loyal to certain retailers. This gives manufacturers, and retailers, the ability to target brand loyalists utilizing the relationship the customer has with the retailer as well as strengthening the experience of the brand.

The Challenge

As a manufacturer of SnowSports Products, your Retailers are vital to the success of your business. Frequently, Manufacturers depend upon their Retailers to educate, mount, 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.

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. 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. 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 (US# 6,594,641 and foreign countries) 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.

The premise of Reshare's patented methodology is giving consumers the choice they demand. To support the relationship between your Retailers and their customers, consumers are required to identify their preferred Retailer at some point in their online experience. 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, repairs, return services, and mounting depending upon the products involved. Similarly, new customers are prompted to select a Retailer based upon your business rules. This may be by geographic, territorial, product line, partner performance, service

abilities, inventory levels, and more. 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. We also act 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.

Online Purchasing, In-Store Service, Inventory Sharing

SnowSports brands generally manufacture goods based upon pre-season Retailer orders. Their goal is to become more lean and efficient, reducing overages and in-season inventory. This presents a unique challenge that Reshare has already solved in other industries.

Consumers at the brand website select product to purchase and then designate the Retailer they are loyal or close to for service, support, education, returns, mounting, etc. The online order is sent to the chosen Retailer for fulfillment. The chosen Retailer must accept or decline the order based upon their inventory. If the chosen Retailer does not have the ordered product in inventory, DRM then queries the manufacturers inventory. If the manufacturer has the item in stock, it is shipped to the Retailer or consumer. If the manufacturer does not have inventory, DRM queries all Retailers who purchased the item to see if they have it in stock. A secondary Retailer who responds to the request then fulfills the order.

The methodology by which Retailers or Etailers are given the opportunity to fulfill orders is completely configurable by the manufacturer. The consumer-chosen Retailer may be given a portion of the profits from the sale even if they are not the fulfilling Retailer. In either case, the consumer-chosen Retailer is happy to have been given the opportunity to serve their customer and realize that they would not have been able to serve their customer if they did not have inventory. Retailers and Etailers focused on fulfillment are given the opportunity to benefit from additional revenues. Orders can be shipped to the consumer or to the consumer-chosen Retailer for mounting and product upsells. The consumer relationship with their preferred Retailer is enhanced as is the brand experience, and everybody wins.

Features Only Reshare Can Provide

- Consumers choose their preferred Retailer based upon loyalty or proximity

- Retailers referring customers to your brand website without fear of losing the sale to a random Retailer
- In-store Special Ordering by Retailers
- Benefits all partners including Specialty Retailers, Chains, Department Stores and Etailers
- Promotes additional Retailer buying based upon their actual customer demand
- Retailers can link their website to the brand website knowing they will be given the first opportunity to capture and benefit from online sales
- Promotes a singular focus on Retailers serving their customers and building customer relationships
- Allows inventory sharing amongst Retailers
- Assures continued relationship between consumer and their chosen Retailer, even if product is fulfilled by another Retailer and/or the Manufacturer
- Enable all Retailers to offer your entire inventory
- Consumers choose their Retailer to pickup, mounting and service your products

Benefits

- Increase market share
- Meet the “connection generation” where they are shopping - online
- 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
- Increase Retailer stocking/display space based upon level of offline performance
- 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.

Fulfillment Plan

