

Warehouse Distributors Gain Advantages When Brands Sell Online.

Warehouse Distributors are an essential part of the distribution channel in the Automotive Aftermarket Industry. This document discusses the benefits to Warehouse Distributors of Automotive Aftermarket Industry manufacturers and brand owners selling online to Dealers and consumers.

Consumers in the 21st Century

Current research shows that when consumers decide to shop online, they generally look to the brand website of the product they want first for information, product selection, authenticity, service and support. Consumers are frustrated when they are directed to “dealer locators” or diverted to third party eTailers that require additional steps and searches to purchase and may or may not have the product they want. Traditionally, brands have been unable to sell online because of the conflict it creates with their channel partners. Nevertheless, consumer demand for a direct relationship with brand and the ability to buy from them are pressuring brands to sell online. They do not want to alienate their channel, especially WDs because of their extremely important value.

Manufacturers Need WDs

Brand manufacturers need WDs and other valuable channel partners to work in synergy and create success, as most of their business will always be carried out through brick-and-mortar locations. WDs promotion, stocking ability, support of goods, as well as their relationship with Dealers, is too vital to disregard. With the advent of eCommerce and the evolution of consumer shopping trends, it is important for brands to embrace business methods that satisfy the customer as well as their channel.

How does Reshare make this work?

Reshare's patented Distribution Relationship Management® (DRM) software and strategy enables a brand to sell directly online to the Dealer or end consumer and ensures that all channel partners are paid for those sales. During checkout at the brand website, the consumer chooses their preferred Dealer to receive credit for the sale. The WD that the chosen Dealer normally purchases from for that brand is also credit for the sale. By replicating the offline channel revenue flow in the online transaction, DRM resolves channel conflict and provides channel partners with significant advantages.

Your Advantages

WDs and Dealers of a brand using Reshare's DRM will realize the following advantages:

Revenue From Online Sales

Forrester Research predicts that online sales in the automotive aftermarket will grow at 15% through 2010, when it will make up 11% of all retail purchases.

Lower risk on new products

Manufacturers often want their WDs to carry new products, which may or may not sell. DRM provides the ability to sell those new products without WDs or Dealers stocking them initially. As the manufacturer sells their new products online and strengthens the evidence of the new product's marketability, WDs can bring products into their inventory as the demand builds.

Build a trusting, cooperative relationship with the manufacturer

In some cases, the relationship between the manufacturer and the WD can be tenuous or

uncertain. DRM provides a solution where all parties benefit and are motivated to collectively serve Dealers and consumers in the manner they expect.

Frequent and accurate online reporting

DRM provides accurate, timely, and customized reporting of the online transactions/purchases. WDs can view this information as often as needed. The data can be formatted for download/upload and/or online viewing any way you want. Access to reports is password protected and different levels of visibility can be pre-determined, allowing location managers to view critical data but limit the information that others in their organization have access to.

WDs sales rep compensation

WDs may allocate commissions to their sales reps for revenue associated with territories and/or accounts. DRM easily assigns and distributes the associated commission structure for Internet sales on the manufacturer's web site. When the customer selects their preferred Dealer, the WD's territory sales manager will get his/her sales commission, just as they would have offline.

24/7/365 Accurate Ordering

DRM enables WDs and Dealers to order from the manufacturer just like the consumer 24/7/365 making ordering more convenient and accurate. DRM allows WDs to order their products under the existing pricing and purchase structure. This eliminates the risk of hand or visual order errors. Some industries have seen cost reductions of as much as 72% and order error reductions by as much as 18% as a result. With the manufacturer's entire product line available 24/7/365, you can order when it is most convenient, rather than during your own busy operating hours.

Universal Dealer Order System

Individual Dealer orders are costly and time consuming to everyone. They often involve products Dealers do not regularly stock with SKUs that are not in their POS system. When a customer enters a Dealer and places a special order, it is often placed utilizing incomplete data from catalogs and pricelists. That order must go through a variety of systems. Fulfillment of the order is often cumbersome. Orders are frequently lost, incorrect, or do not get to the store and/or customer they are intended for. The invoicing and payment of special orders are also cumbersome and inefficient. Brands utilizing DRM enhance and streamline this process. The order can be placed at the Brand's eCommerce site, shipped directly to the customer's desired location and the WD and Dealer will receive retail credit based on the brand business rules already established. This process changes special orders from a potential customer dissatisfaction to a competitive advantage and source of superior customer service.

What's next?

The Internet is an increasingly popular shopping destination. Online shopping is currently experiencing the fastest growth of any retail channel. The increasing number of shopping trips by consumers to the Internet highlight the importance of participating in online commerce. You must meet the consumer where they want to shop and DRM allows you to do this through the most trafficked location, the brand's website. This will not only result in more profitability but also lead to better relationships with your brands and your customers.

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