

Outdoor marketplace

By John Morrison

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Manufacturers Share Internet Sales Through Reshare



www.resshare.com

U.S. consumers are forecast to spend \$6.8 billion over the Internet on sporting goods and apparel this year. The amount is expected to hit \$12.1 billion in 2011, according to Forrester Research, an independent technology and market research company.

The electronic marketplace represents an online opportunity that many manufacturers cannot ignore. However, it is channel partners, such as distributors and dealers, who are often alienated and hurt when manufacturers decide to sell their products direct to consumers via Web sites.

This direct selling has caused more than a few heated "discussions" in the industry. So, how can manufacturers capitalize on Internet sales, without destroying valuable distributor and dealer relationships?

One solution that has received praise in other industries is a system developed by Reshare Corp., a Minneapolis-based technology company. The company's system



enables manufacturers to sell their products, via their Web sites, direct to consumers — here is the key — without circumventing valuable channel partners, such as sales reps, distributors and dealers.

In the January 2007 issue of *The Absolute Sound*, the high-end journal of the audio and music industry reports, “For distributors and dealers, the Reshare process ensures that factory-direct on-line business will complement, and not cannibalize, traditional in-store sales.

“In principle, the Reshare process offers high-end audio companies a viable mechanism of increasing sales, with win/win/win benefits for manufacturers, distributors/dealers, and customers,” the journal reported.

According to Reshare, here’s how its system works. When consumers visit a manufacturer’s Web site and purchase products, they are asked to select a dealer, who will be paid for the sale. The consumer can locate a dealer by zip code, city, state or by typing the name of a dealer into a text box. Upon selection, the dealer, along with other distribution partners, is paid for the transaction — just as if the sale had been made through the traditional distribution system.

How are dealers paid? With every transaction, Reshare calculates the amounts to be “re-shared” with dealers, according to the manufacturer’s business rules. Dealers receive a check or a credit from the manufacturer.

Who fulfills orders? Manufacturers have several options for order fulfillment. These include fulfilling the orders themselves, using third-party fulfillment companies or using existing distribution partners.

The benefits to the dealers, of course, are increased sales and profitability. Dealers will generate revenue from online sales when consumers select them as the “dealer of choice.” Dealers maintain a 24/7/365 online presence, regardless of whether or not they have a Web site, with no technology costs or participation fee.

The program also expands a dealer’s product offerings. Many dealers cannot stock, display or effectively represent 100 percent of a manufacturer’s product line. With Reshare, manufacturers can offer all their products for sale on their Web sites. By doing so, dealers “virtually stock” up to 100 percent of a manufacturer’s products.

The system also improves the processing of special orders, which are often costly and time consuming for dealers. With Reshare, dealers are motivated to refer customers to a manufacturer’s Web site for any product/style/color they may not stock. Why? Because dealers know they will be paid when customers select them as the “dealer of choice.”

Enhancing Sales

While Reshare is being used in other markets, the company is fairly new to the shooting sports industry. The first hunting/fishing-related manufacturer to use Reshare is Nature Vision Inc.

“Nature Vision was started as a technology-driven company,” said Jeffrey Zernov, Nature Vision CEO. “It is natural for us to be the first in the industry to use technology to share Internet sales revenue with our distributors and dealers.”

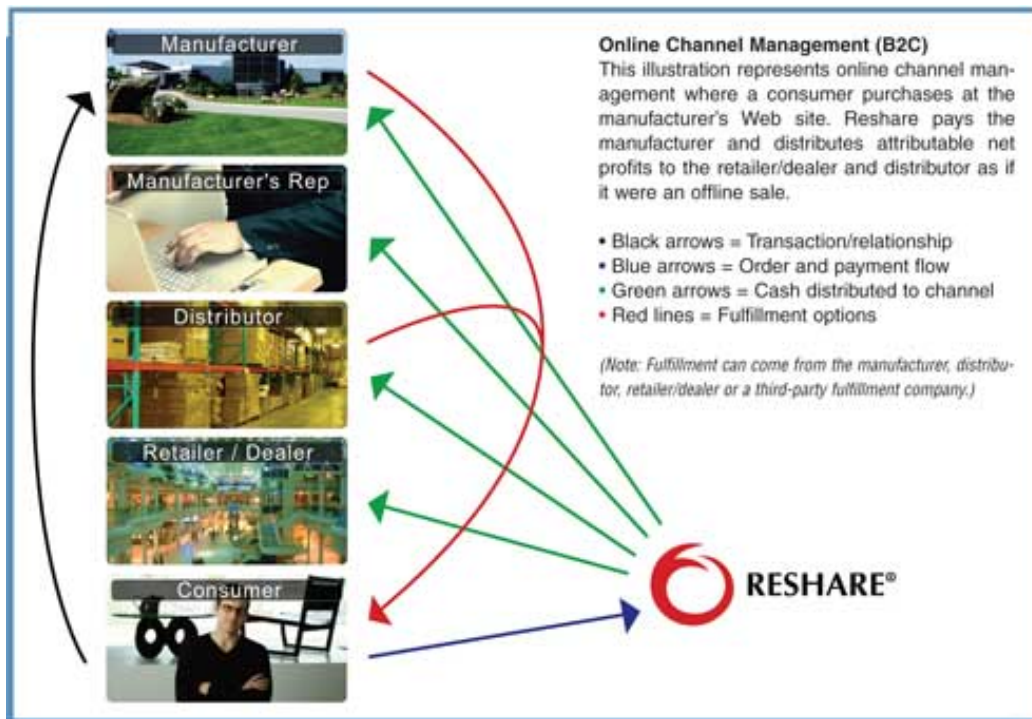
The company is scheduled to launch a redesigned Web site by Sept. 1. Consumers shopping at www.naturevisioninc.com will be prompted to select their “dealer of choice” upon checkout. In doing so, the dealer, along with upstream channel partners

such as distributors, will be paid for the transaction.

“Reshare now gives consumers the ability to conveniently purchase Nature Vision products online, via their favorite retailer or catalog merchandiser,” said Trevor Sumption, national sales manager of Nature Vision. “This also lets us sell directly to consumers without competing with our dealers.”

In the end, Reshare provides an incentive for all parties in the sales channel to work together and sell more products. This enhances the relationships across the entire channel and creates a better brand experience for the customer.

For more information, visit www.reshare.com, or contact Michael Ross, Reshare director of business development, at (952) 426-7389, e-mail: mross@reshare.com.



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