

The Company Store Solution: How to Save Time, Retain Clients and Boost Sales



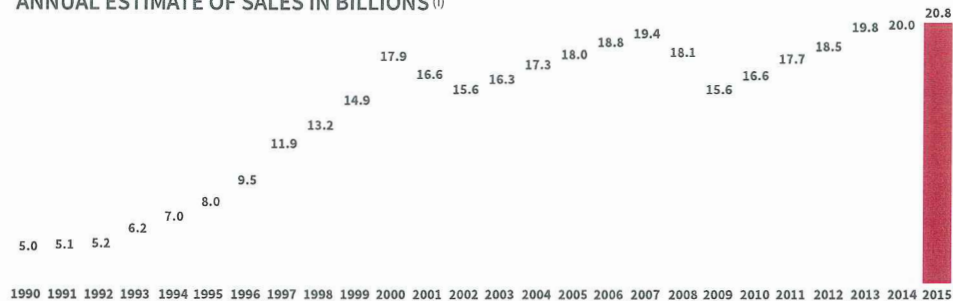
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Introduction

ANNUAL ESTIMATE OF SALES IN BILLIONS (i)



In 2015, promotional products sales volume reached \$20.8 billion. As the industry continues to grow at a healthy pace year after year, companies are faced with the challenge of scaling their growth to keep pace and increase market share. Expanding the use of e-commerce is one way to use efficiency increases to gain a competitive edge.

B2B E-COMMERCE IN 2020 (ii)



In the B2B sales market, which includes promotional product distributors, e-commerce has become a major player. Forrester Research Inc. forecasts that by 2020, B2B e-commerce will reach over \$1.1 trillion, grow at 7.7 percent (CAGR) and comprise 12.1 percent of all B2B sales in the US. Forrester cites “channel-shifting” — buyers preferring to purchase online rather than via phone or other methods — as the main cause of growth.

E-commerce through a custom web store is a highly efficient solution for companies to sell/offer branded merchandise to their employees. This white paper describes the hidden costs of manual order management for such clients and the opportunity presented by custom web stores, also called company stores, to streamline, expand and differentiate distributors’ business, all with a lower time investment.

The Hidden Costs of Managing Orders Manually

Failing to Scale Efficiently

Order management in the promotional products distribution space is typically a personalized process. A distributor works with the client to choose products, design customization and place repeat orders. For new clients or clients who need new products often, this method may be the most appropriate as it provides personalized service, maintains frequent impressions and builds a strong relationship.

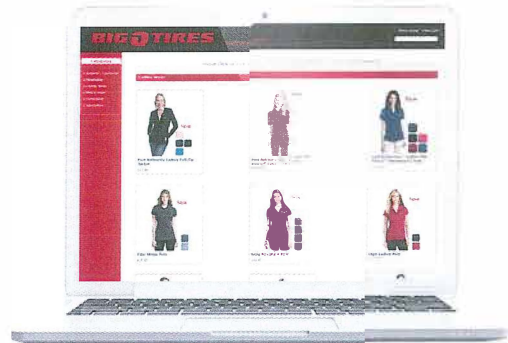
However, for clients who want to add a way to sell branded merchandise to a large market — such as employees, the public, for incentive or safety programs and more — this hands-on process can impede the client's efficiency and profit margin. Multiple purchasers and client purchase approval procedures mean more of the client's time is spent on support and order processing.



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The Company Store Solution

A company store is a time-saving solution that has the potential to streamline order management, increase sales and strengthen relationships.



What is a Company Store?

A company store is a custom web store built for a client and stocked only with their branded merchandise. The company store is branded with the client's logo.

The most common client for company stores are businesses who want to provide branded merchandise to their employees, large businesses with multiple branches under the same brand, or businesses who already have branded products in stock and need to move their inventory. The store may be accessible to the public or it may be provided only to internal employees.

Streamline Order Management

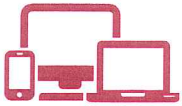
The most immediate benefit of a company store is that it increases efficiency by streamlining the order process. Instead of clients contacting the distributor personally with calls or emails, employees can place the orders themselves online.

Providing a company store with pre-approved products also avoids lengthy approval processes within the client organization. Since the store is stocked with products already selected and customized by the client at approved price points, orders do not need to be shepherded through decision makers first.

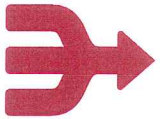
Forrester Research estimates that B2B companies can reduce order management costs by up to 90 percent by implementing e-commerce solutions. 52 percent of B2B executives say they have reduced their customer service costs by transferring customers online and 56 percent have customers they can only serve profitably online.⁽ⁱⁱⁱ⁾



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B2B buyers prefer to buy online. Forrester Research reports that 74 percent of B2B purchasers research at least half of their business purchases online while 30 percent complete at least half of their business purchases online, and this is expected to double to 56 percent by 2017.^(iv)



Multi-channel is optimal. 60 percent of B2B buyers spend more overall when they purchase through multiple sales channels. Forrester notes, “Multichannel B2B customers are also more likely to become repeat and long-term customers, as well as try new products and reconsider lapsed or mature brands.”^(v)



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Company Store Tips

Before building your company store, gather some information to determine needs and expectations. Below are fourteen questions you may want to answer to ensure you have a clear picture of your path forward.

- 1 What products or types of products do you want to offer in their store?
- 2 What minimums will be listed on the products?
- 3 Are the end buyers paying for these items or is the company providing a certain dollar amount toward the products? For example, is this an incentive store where promo codes or account credits are needed?
- 4 Do you want this store to be a profit center?
- 5 How many orders per month do you anticipate?
- 6 Will individuals be placing orders or will one person be ordering for everyone?
- 7 Will items be shipped to a set business addresses or individual addresses?
- 8 What payment methods will be used? If taking credit/debit cards, you may want to consider Merchant Focus for seamless processing.
- 9 If individual buyers are placing orders, do you need a copy of each order? If so, consider adding them to receive a copy of each confirmation email.
- 10 How quickly does your employees expect the product after placing an order?
- 11 Do you need a domain name or will the client be tying it in to your website? If you would like a more custom domain name, we can purchase one or use a subdomain of your own website.
- 12 Will you purchase all the product upfront for the store so you own all of the warehoused products?
- 13 What happens if a logo changes and it is on all of the warehoused products?
- 14 At the end of the product life cycle, what will happen with the remaining unsold product?

And finally, be sure to take advantage of your new store as a sales tool. Include your company store capability in your marketing and proposals.

Summary

Company stores allow you to take advantage of the trending growth in B2B sales e-commerce. They offer a healthy ROI through more efficient, streamlined order management; higher client retention by creating value; and organic sales growth.

Free Consultation with ABS and Company Store Demo

Contact your ABS account executive at info@abs247.com for a free, one-on-one walk through of company stores and how to put them to work for you.

Your account executive is available by phone @ 800.227.0207, email, or in-person at the corporate office or at a tradeshow near you.

Sources

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