

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

A White Paper for Promotional Product Distributors

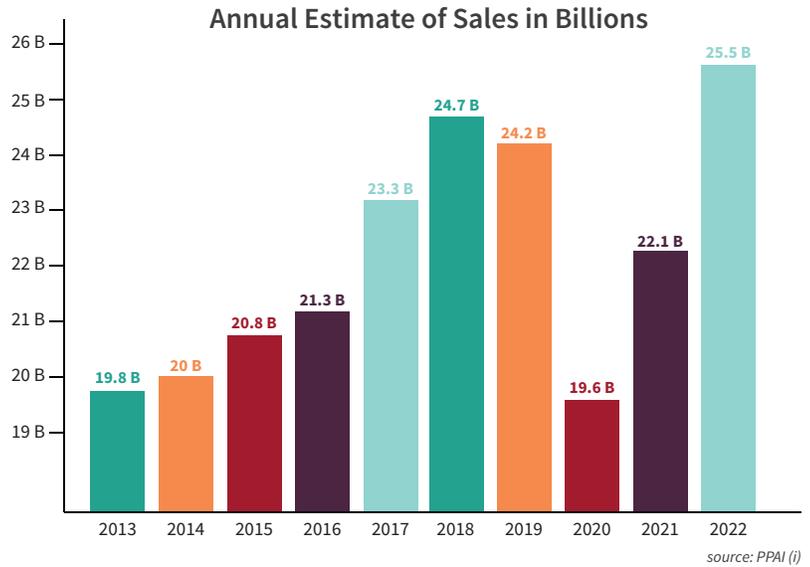
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Introduction

In 2022, promotional products sales by distributors continued to grow with a 15.6% percent increase over 2021. As the industry continues to grow at a healthy pace year after year, distributors 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 2021



In the B2B sales market, which includes promotional product distributors, e-commerce has become a major player. Forrester estimates that by 2027, US B2B e-commerce will reach \$3 trillion and account for 24% of total US B2B sales. At the end of 2021, B2B e-commerce reached \$1.7 trillion, representing 16% of total B2B sales in the US. Forrester forecast a compound annual growth rate (CAGR) of 10.7% in B2B e-commerce over the next five years. 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 distributors whose clients desire a way to sell 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. The 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.

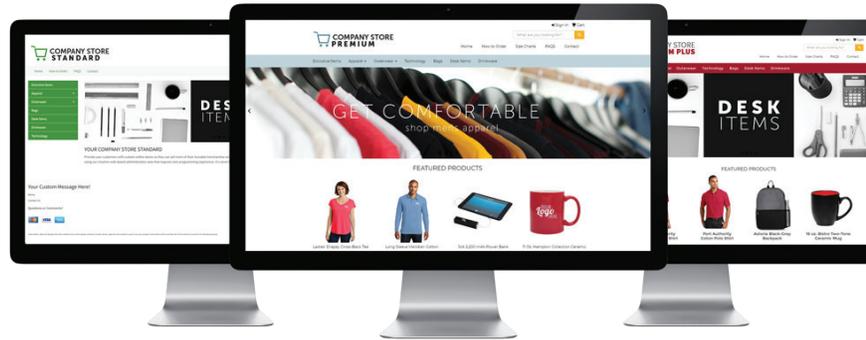
However, for clients who want to add a way to sell branded merchandise to a large market — such as employees, the public, for incentive or safety programs and more — this hands-on process can impede the distributor's efficiency and profit margin. Multiple purchasers and client purchase approval procedures mean more of the distributor's time is spent on support and order processing. Little to no advantage is gained from higher sales volume.

Leaving the Power of the Relationship on the Table

Retaining the typical order management process also takes no particular advantage of the power of the client relationship for growth or retention. In an industry where the client's cost to switch providers is typically low, distributors need to offer value that differentiates their service and encourages retention.

The Company Store Solution

For distributors who want to help their clients sell promotional products to employees, a company store is a time-saving solution that has the potential to streamline order management, increase sales and strengthen their client relationship.



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 and not the distributor's.

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 products 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.

McKinsey & Company reports that about 65% of B2B companies across industries are fully transacting online in 2022. And for the first time, B2Bs are more likely to offer ecommerce over in-person sales.

source: McKinsey & Company (iii)



Strengthen and Grow the Client Relationship

Another important benefit of the company store is that it strengthens the client-distributor relationship. When the distributor is able to offer a flexible and advanced solution, it reinforces their role as the client's premier resource for every type of promotional product need. Especially for smaller distributorships, a custom web store demonstrates a level of expertise and responsiveness that may exceed the client's expectations without requiring the presumed investment of time and resources.

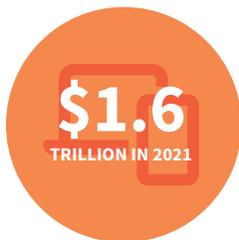
Once a company store is deployed in a client organization, it positions the distributor to increase sales as well. In larger organizations, departments may source their promotional products from different distributors. An official company store rolled out across the client organization will funnel those purchases to the company store distributor instead. And it offers little threat of damaging existing sales channels, as clients can continue to place orders through the distributor if they wish. A company store simply creates another, wider distribution channel.

A final benefit of a company store is that it helps to differentiate the distributor and lock in business. It provides value that will tend to make the client more loyal and less likely to be enticed away by another distributor. And once the company store is procedurally integrated as one of the client's preferred partners, the monetary and non-monetary costs that would be incurred by switching to a new provider will help protect the company store distributor from losing the client's business.



B2B buyers prefer to buy online. Statista data suggests that the North American B2B ecommerce market will surpass \$4.6 billion by 2025.

source: BigCommerce (iv)



B2B ecommerce sites, log-in portals and marketplaces increased 17.8% to \$1.63 trillion in 2021.

source: BigCommerce (v)

The Complete Solution: SAGE Company Stores

For many distributors, building a custom web store through an internal web development team would be a cost-prohibitive project in terms of time and resources. SAGE offers a turn-key solution with SAGE Company Stores that are user friendly, full featured and low cost, allowing distributors to quickly and easily meet their clients' needs with a high quality product.

SAGE Company stores are quick and easy to create and maintain.

- Start your company store setup by contacting your SAGE Account Advisor.
- Set up unlimited demo company store sites to show your client during the sales process. Demo sites are free. When your client signs the contact, you can instantly buy and activate the fully featured company store site.
- Edit your store in an intuitive, web-based administration area without any programming experience.
- Pull products directly from the SAGE database or upload your own.
- Update your product information as often as you like, or you may automatically sync with your SAGE product database.
- SAGE website design services will maintain your clients' company stores for you. SAGE Website Consultants will work with you to
 - add the client's company logo
 - add homepage text and graphics
 - configure store e-commerce settings
 - adding products to site from the SAGE database (varies by package)
 - provide ongoing maintenance to site as needed (excludes product updates and changes)
- Art support is available through SAGE ArtworkZone for vectorized client images, image repair, art design and more.

SAGE Company Stores are customizable.

- Store visitors may request information, get a quote, place an order and view detailed product information or order history.
- Company stores are fully e-commerce enabled with flexible payment options, including credit cards, purchase order numbers, account credit and promo code support.
- Provide FedEx, UPS, USPS, and Canada Post shipping charge integration.
- Stores have an option to use a points system as an additional form of currency.

SAGE Company Stores are available for a low monthly subscription.

SAGE offers free site hosting, free technical support and unlimited products and categories in your store.

Setting Up a Company Store Step-By-Step

Follow these simple steps to set up a SAGE Company Store.

- 1 Log in to www.sagemember.com.
- 2 Select Site/Store Selector on the left-side menu.
- 3 Choose Create New Site and select which Company Store you'd like to build.
- 4 Follow the on-screen directions to set up your company store demo site. If you have any questions, contact your SAGE Account Advisor at [800.925.7243](tel:800.925.7243).
- 5 Present the demo site to your client.
- 6 Contact your SAGE Account Advisor to purchase and activate the full site.
- 7 Prompt your client to release the company store link for rollout.



Company Store Tips

Before building your client a 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 does the client 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 does the client 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 SAGE Payment Processing™ for ultra-competitive rates.
- 9 If individual buyers are placing orders, does your client need a copy of each order? If so, consider adding them to receive a copy of each confirmation email.
- 10 How quickly does the client expect the product after placing an order?
- 11 Do you need a domain name or will the client be tying it in to their website? It's free to use the SAGE prebuilt store domain name. If the client would like a more custom domain name, they can purchase one or use a subdomain of their own website.
- 12 Will the client purchase all the product upfront for the store so they 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?

Another important consideration is whether you want to charge your client for the company store or simply provide it as a free perk of doing business with you. The upsides of possibly increasing sales and locking in business may make comping the store worth it to your business.

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. When possible, gather testimonials from company store clients for further marketing material.

Summary

Company stores allow distributors to take advantage of the trending growth in both the promotional products industry and 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 via a closer partnership with the full client organization. SAGE Company Stores are designed to allow distributors to impress clients with a high quality, user friendly product for a low monthly fee.

Free Consultation with SAGE and Company Store Demo

Contact your SAGE Account Advisor by phone, email, or at sageworld.com/support for a free, one-on-one walk through of company stores and how to put them to work for you.

Distributors may also view a live company store example site and test cart functionality at www.sageworld.com/store-examples.php

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About SAGE

SAGE, based in Addison, Texas, is the leading provider of information, marketing and business management solutions to the promotional products industry. In addition to SAGE's flagship SAGE Online™, SAGE Web™, and SAGE Mobile™ research and business management services, SAGE also provides the industry with other research services, order management, website and email services, e-commerce solutions, end user catalogs, artwork services, payment processing, tradeshow, tradeshow management services, and lead retrieval software. SAGE is also the exclusive technology provider for members of the Promotional Products Association International (PPAI), the industry's non-profit association as well as Promotional Products Professionals of Canada (PPPC), Canada's non-profit association. For more information, please visit www.sageworld.com or call 800.925.7243.

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