

BEYOND ECOMMERCE

How Distributors Can Leverage
Technology to Knock Out Amazon



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In the past decade, a wave of emerging technology has brought sweeping changes to the way we shop, communicate – and do business. Distributors who don't quickly adapt and embrace these changes risk getting submerged.

Distributors have a reputation for lagging when it comes to implementing new technology. It's easy for distributors, particularly small- and mid-sized distributors, to view technology skeptically. After all, competitors like Amazon Business are gunning for everyone's market share. And they're getting a sizeable piece of it: In September 2018, Amazon Business announced its expected revenue for the year would climb to \$10 billion, 10 times what it was just two years ago.

Distributors can no longer afford the luxury of waiting to invest. On the contrary, savvy distribution leaders today recognize that technology is not only their friend, but can be an indispensable business partner in gaining an edge on Amazon.

Most distributors now offer ecommerce purchasing options, but the reality is that offering ecommerce won't keep you in the game. At this point, it's merely your ticket into the stadium. The fact is, Amazon is the undisputed master of ecommerce. To stay competitive, distributors must identify those areas where it makes sense to compete, and those where it's wisest to cede the territory. Instead of fighting losing battles, analyze your advantages, and build on those strengths through personal relationships and robust technology that ties your operations with those of your customers.

> Know where you stand.

Amazon Business has deep pockets and the advantage of lower profit-margin expectations from Wall Street. They can deliver products quickly, conveniently and cheaply. But there are many things Amazon can't do well or at least easily. What do you provide that is harder for Amazon to do well that your customers value?

> Invest in analytics.

Visibility is everything in today's markets. For example, when you can track your customers' spending at the point of use, you get invaluable data not only on what they buy, but from whom, when, how often and why.

> Plan for the future.

The stakes are high. If you don't invest now in the right technology, you risk the gap between you and competitors like Amazon becoming insurmountable. But don't invest for the sake of investing. Yes, you will have to move toward ecommerce if you haven't already. But also identify other technologies that reinforce the value that you've always provided to your customers.

The days are long gone when distributors could just supply product. Distributors that leverage technology for better visibility into their customers' operations will be repaid with a greater share of those customers' dollars.

This integration protects your business, making it harder for your customer to go to another supplier. The most successful distributors have combined their expertise with the right technology to help customers reduce inventory costs, become more efficient and grow sales. The winners are building stronger customer relationships with technology as the driver.

A Seamless Connection

If the bad news for many distributors is that ecommerce won't save them, the good news is that there are many ways today to provide customers with a seamless experience. A big opportunity is to leverage technology to gain real-time visibility into customers' inventory use. Distributors use our cloud-based mobile software to track inventory consumption on contractors' fleets of trucks, allowing them to provide a



much deeper level of service. Benefits to the end-user include:

- > Completing more jobs per technician per day, increasing customer satisfaction and their bottom line.
- > Minimizing shrinkage with tighter inventory controls, tracked down to the job or technician.
- > Full inventory visibility of all stocking locations including warehouse and service fleets.
- > Eliminating technician downtime by having the right parts to finish the job the first time.



Build a True Partnership

Donuts are a poor pathway to customer loyalty. They may get you in the door, but they won't get you deeper into your customer's wallet. But what's good for the customer can be good for the distributor. If distributors can use data and technology to help their customers do their jobs more efficiently and effectively, they can create a true partnership and build a moat around their business to protect it against competitors like Amazon.

Increased Wallet Share and Stronger Customer Loyalty

Integrating your processes with your customers strengthens your position against Amazon Business and other competitors. Distributors should provide these advanced capabilities before they become, like ecommerce, just another requirement for doing business.

Those who don't will find Amazon and other competitors tough to beat. ▣



MarginPoint Mobile Inventory allows you to manage your inventory in real time from consumption to requisition and replenishment. Reduce inventory and procurement costs and increase profits with a single cloud-based mobile solution that addresses the full inventory management workflow regardless of who supplied it or where it is stored. More than 600 companies currently rely on MarginPoint.

For more information about the MarginPoint Mobile Inventory solution:

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