Retail Strategy Group

THE WHOLE SALE

Top 10 Tips for Getting Wholesale Right.

If you are a DTC brand ready to join your competitors on a retail shelf, being retail-ready matters. Landing a retailer can be a huge win, but if you approach wholesale without clear purpose and preparation, that win can end up being more of a burden than a benefit.

Here are my top 10 tips to help you win shelf space and build a profitable wholesale business.

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01 Curate the Product Mix

What sells in your DTC stores is not always what sells at wholesale. Curate a selection of best sellers and core items that carry your brand DNA and set you apart from your competitors. Start with a small, streamlined mix, then expand and refine as you learn about your customer's customer. You do not have to offer the same mix to every retailer. Give buyers options so they can select what makes sense for them and what they have to spend.

02 Determine Your Distribution

List the retailers you want to work with. Your options range from department stores, specialty stores, and off-price retailers to marketplaces, B2B platforms, and agencies. Use The Wholesale Conditions Test to narrow the list: Where do your target customers shop? Which retailers are your competitors in? Which retailers align with your brand DNA?

03 Pricing Strategy

Price on perceived value and market research, not by doubling your cost. Doubling ignores the wholesale price, operational costs, and your ideal profit. Start with your ideal retail price based on like products in the market and your cost, then run a few scenarios until you are comfortable with the final profit numbers. Typical softlines markups range from 55% to 65%. Beauty and CPG are much lower.

04 Comp Shopping

Find out what shelves your competitors are on across every distribution channel. Evaluate their assortment categories, price points, and where they sit in the store. If you target that retailer, your brand may sit right beside them, so picture whether that is ideal or not. A competitor who is always on sale will pull you into more markdowns than you need, which may be reason enough to rethink that retailer. Comp shopping gives you the insight into what shelf you want to be on and what shelf you never do.

05 Get Market Ready

Retail ready is market ready plus buyer ready. Market ready means you understand the cost of doing business with every retailer and channel on your target list. Find out who determines the final selling price, who stores the inventory, how much marketing will cost you, and what rules you have to follow as a vendor. Research markdown and promotional cadence, and walk the stores to get a feel for the shopping experience. This is how you prepare for any obstacle that could devalue your brand or cost you more than you are willing to pay.

06 Get Buyer Ready

Prepare like a pro. Build line sheets that include your brand story and marketing material. Outline your point of difference and suggest your adjacencies. Comp shop so you can price and position your products around the brands you want to be next to. Preplan mini assortments and delivery drops in your line sheets. Then go visit the stores, because space constraints will limit what you can sell.

07 Find Your Buyer

To get in front of your ideal buyer, know where they spend their time so you can appear in their orbit. Buyers visit trade shows, shop showrooms in a particular market, and buy from B2B marketplaces. Find out how your competitors get in front of that same buyer, whether that is how they present at a trade show or a dedicated shop on JOOR or FAIRE. Then ask yourself what you can do better.

08 Enable the Buyer to Keep Buying

Leverage sell-through, full-price selling, and inventory turns. Come to the table prepared to replicate success by pre-populating the new season's buy. Not all buyers are created equally. Some take an entire assortment apart and put it together themselves, others are more hands-off. Prepare selling tools for your retailers and their brand ambassadors. Product knowledge, styling advice, and care and content information are great add-ons that save the buyer from having to create them.

09 Forget Transaction, Think Partnership

The intention of coming into a retail relationship is usually transactional, but that is not long-term thinking. The goal of a wholesale partnership is to work together to serve the customer, and that means building a relationship where relevant information is shared. Sharing improves future product development and increases full-price sales.

10 Know What Levers to Pull

Selling wholesale is a dance of negotiation, and the deal has to be tenable for both sides. Experienced buyers know exactly what they want and where they have flexibility, so you need to know which variables you can adjust. Offer a competitive markup in exchange for the retailer spending more with you. Offer consignment on a first order to prove to the retailer their customer will buy the brand. Or, offer exclusivity for a period of time.

WORK WITH US

Let's build a wholesale business worth having.

At Retail Strategy Group, we drive dramatic results for our clients: more full-price sales, stronger margins, and more profitable wholesale lines of business. If you're ready to turn these principles into results, reach out and let's talk.

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LEADERSHIP

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