

4 Innovations Impacting The Wholesale Distribution Industry

As the wholesale distribution industry continues to evolve in the modern era, it faces increasing pressures. The following are some key innovations impacting the wholesale distribution industry and keeping it healthy and competitive.

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Modernizing the processes

Through digitization and automation, wholesale and distribution companies are able to create a more efficient process, as well as track and collect data. Historically, the distribution industry relied on a paper trail for every shipment, which beyond being clunky and outdated, can lead to unwanted errors. By adopting cloud-based technology and artificial intelligence tools, companies can keep pace with the leaders in the industry and significantly streamline processes.

For example, tagging each item in a warehouse with wireless tracking technology allows your team to automate inventory, knowing exactly where supplies are in real-time and track their movements during distribution. These tools harness the power of GPS, Internet of Things, and mobile tech, saving your company time and money.

Delivering unprecedented customer service

As automation becomes more common, it's easy for the relationship aspect of business to fall behind. However, business-to-business (B2B) customers are coming to expect the same level of service often delivered in the business-to-consumer (B2C) realm. Leaders in the retail marketplace, like Amazon, have set a new level of service that implements everything from personalization and responsiveness to superior communication and product delivery.

How do you prioritize product presentation and delivery? With high-tech product presentation tools using 3D imaging, you can digitize your inventory, giving customers a great sense of what you offer before contact is even made. Keep in mind there are also ample channels for showcasing your products as customers gravitate towards using iPads and smartphones more often.

You can even monitor what devices your customers are using on your site and optimize products and listings for those platforms specifically. In addition, customer feedback and reviews are becoming an important marketing and sales tactic as consumers lean on others for transparency and trust, thanks to the rise in Yelp and Amazon reviews.

Responding to competition and expanding markets

As competition increases and markets continue to expand and affect the wholesale distribution industry, many companies are struggling with where to make their next move. One solution is to target a niche group—like commercial property owners, restaurants, independent food

stores, or medical and health care practices—and offer products specific to their industry. Supplying to a niche market and narrowing your focus on certain products helps boost your search and brand awareness within that industry over time, allowing you to become a go-to partner for retailers.

Buying directly from the manufacturer

Wholesaler distribution is an important part of the supply chain, but customers are beginning to go directly to the manufacturer for products seeking lower costs. While price alone can be motivating, wholesalers need to step in. Educating customers on the value you offer and your position within the supply chain can help curb the movement to buy directly from a manufacturer. Customers often lack the specialized skills, systems, and equipment and management expertise necessary to work with the manufacturer to get the best overall product and experience.

Wholesale distributors are under immense pressure to meet demand while staying competitive. We understand that. Our bankers are ready to work with you and give you the tools to optimize your business. To learn more about the innovations impacting the wholesale distribution industry and how we can help your operation, visit your local branch or call a PlainsCapital Bank representative at 866.762.8392.