

Building online distribution channels to increase sales

Effectively growing your business means bringing your product or service to the right target audience in a cost effective and efficient manner. Identifying and expanding your distribution channels is a good way to do this. If you haven't done so already, you should consider online as a distribution channel as it frees up time and space.

Where you might have been selling your product or service locally, opening up an online distribution channel means you can expand your market nationally and even internationally if you want.

Online channel delivery options

There are two common options to building online distribution; use a third party, or build the capability yourself.

Third party channels

Selling through an already-established online channel, such as Amazon, ebay or industry sites such as hotels.com or Travelocity can be a useful method to determine if there is online demand.

Third parties already have payment options, warehousing, customer service and shipping set up. You can focus on what people want to buy instead of juggling logistics. If your sales are encouraging, you could think about selling your product online yourself.

The drawbacks of using a third-party online distribution channel are that they'll take a percentage of your sales as fees, and you don't get the same customer engagement. As far as customers are concerned, they're buying from Amazon, and you don't get to connect with them the same way you would if they're buying from you directly.

Your own online capability

You'll probably have an online presence with your website and social media activity, so it could be time to build your own online capability. There are a number of online applications and website builder products with built in e-commerce functionality that make this easier than you may think.

Consider these benefits:

- ★ You can take payments online, allowing customers to buy products from anywhere.
- ★ With RBC and Moneris you have a single point of contact for point-of-sale needs and credit card processing (Visa, MasterCard, Discover, and American Express). Talk to us about our [online payment solutions](#).
- ★ You can also consider providers such as PayPal who make it easy for customers to pay you online.
- ★ Your website is 'open' 24/7, so potential customers can browse, research, book and buy whenever they want – not just between 8am and 5pm.
- ★ A website means you can reach people worldwide. You could easily find yourself with a number of international customers, which could leverage into exporting opportunities.
- ★ Better customer experience – people like buying products online, the option of an online booking system, and researching before they buy.
- ★ Reducing costs – for example, if you're selling a skin-care range, you're saving on shelving, displays, rent and rates. You're also saving on staff costs because you don't need to run a bricks-and-mortar store.

Sell more than your product

With online distribution, you can open up your offering so that you're selling more than just your product.

For example, you can expand the range of what you're offering. If you're operating a gym, customers can not only join online, but you could also be selling workout supplements and clothing as well as instructional videos that you've bought via a wholesaler.

You can also expand your marketing reach through online content including blogs, how-to videos posted on YouTube and social media. Your website and social media platforms should work together, with social media driving traffic to your website where customers can access your content.

Summary

Getting your products or services onto the global stage is an effective and relatively easy way to grow your business and increase sales. Not only that, but you're going to expand your customer base to include many international customers, and that's going to be a great boost for your brand. Selling your offering online also reduces costs, especially rent and staff expenses, so you'll be improving your cash flow. Online distribution channels are also a great way to start out if you're planning to move into exporting, since you'll get a feel for the international marketplace and make important contacts.



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