

BUYERS: THE BASICS

Type: Mid-Large Supplies
Buyer titles: CEO, COO, VP Sales, VP Marketing and Sales CIO/CTO
Size: \$10MM-\$1B
Industry: Promotional Products
Other Buyers Involved: General Manager, President, Head of IT

The Industry is Shifting

- Customer service shortage
- Hiring struggles for staff to tackle manual work
- Production delays have led to narrowing of supply chain to focus on domestic partners
- Consolidation of suppliers' businesses through M&As
- More selling is happening virtually, post-COVID

BUYER PSYCHOGRAPHICS

Our ideal buyers believe that:

- Supplier-side sales must be proactive instead of reactive
- Technology integration and digital transformation is the path to scaling
- Personal relationships with their distributors and the broader promo products community are of the highest value

BUYING TRIGGERS

Organizational changes or trigger that precipitates the need for your service:

- Going through a growth spurt (for some, driven by private-equity mandates)
- Are (or have completed) integrating with PromoStandards

Lack of Urgency

Buyers ranged from being outright “resistant partners” at the beginning, to feeling “little urgency” but were open to experimenting.

commonsku SUPPLIER INSIGHTS MAP

Saying YES (Or NO) To The Platform

Early Perceptions of commonsku: A ‘nice little community’ or a ‘social network’

Buyer Goals:	Alternatives:	Buyer Challenges:
• Selling more to current customers • Guerilla marketing/brand exposure • Getting connected with the day-to-day projects customers are working on • Engaging with customers earlier in the buying process • Finding new customers	• Hiring cheap support staff to clean up POs (operational efficiency) • Digital advertising social media campaigns (marketing) • Advertising with ESP/ SAGE (marketing) • Working with buying groups (marketing) • All of the above	• Processing orders without a human touching them • Order inaccuracy • Customer service fields a number of questions about each order

Evaluating the Solution:

- A few did some ROI modelling (based on # and size of orders, transaction fees).
- Most just jumped in as an experiment, based on trust they felt for the future of commonsku.

Budgeting

Pricing Sentiments:	Budget Reference Points:	Modelling ROI:
• Half of buyers shared positive sentiments that growth-based pricing model “makes sense”, if grudgingly. • Half of buyers shared negative sentiments indicated that basing pricing on a % of sales is hard to justify, as they feel that commonsku doesn't deserve full credit for the sale. • Unknown variables (existing rebates and order size) may make it even more expensive for suppliers to engage with certain distributors on commonsku.	• Some compared to the low cost of having cheap overseas labour to sort out orders. • Others referenced that they are spending a boatload of money with buying groups (ASI, PPAI, etc). • Just a few mentioned spending on digital marketing channels. Are Margins Thin? Some say yes, but those who are investing in growth are willing to reframe the investment (if they see ROI). Budgeting Tradeoffs: A few noted budget decreases on tradeshows, although that was partially related to COVID.	• Many modelled potential ROI based on how many commonsku distributors they were already working with. • Most spoke to the need to show growth in YoY sales, although the process through which they determine this is complicated and onerous. • A few referenced operational efficiency and “making it easier for distributors to do business with them”. • The challenge of conversion attribution leads to a decent amount of platform skepticism for those who are investing heavily in other channels. • Without a formalized way to present ROI, it's hard to articulate the value to senior leadership.

SUPPLIERS WISH THAT COMMONSKU WOULD...

- Make it even easier to see which potential distributors are interested in which products so they can proactively reach out to them.
- Offer more transparency on which distributors and specific account-executives are doing business with suppliers
- Provide more robust reporting (as buying groups do), including: account executive-specific breakdowns, the volume that they are selling by vertical and event type so the supplier can target new opportunities.
- Provide pitch and conversion data on products with what additional products they have been pitched.
- Help them re-engage and sell more to churned customers.
- Aggregate and share top-selling product data, so they can see whats getting the most traction.
- Offer more visual reporting (charts and graphs) in the dashboard with customizable time periods.
- Promote fully integrated suppliers to distributors, and narrow the competition to funnel more business to them.
- Set the industry standard for reporting, because they struggle with different formats from buying groups and distributors.

Value Drivers (ranked by number of times mentioned)

Access to Top Distributors:	Sales Growth:	Operational Efficiencies:
• The majority of suppliers agree: commonsku opens up access to a group of high-performing, visionary distributors. • A few recognize that commonsku facilitates ease of access, but had a number of these relationships before and doesn't credit commonsku for continued business.	• Half of suppliers are seeing sales growth through new customers and greater sales volume. • A few haven't seen the impact on sales that they thought they would, and are skeptical of what can be attributed to commonsku.business.	Suppliers broke down efficiency in different ways: • Some cited the importance of making it easier for distributors to work with them (and for internal and external employees to communicate with customers). • A few suppliers (and distributors) spoke to the benefit of jumping to the front of the line in light of inventory shortages. • A few clarified that they still need to use human labour to sort out POs and that the “seamlessness” is more on the distributor side.

Leader in Category:	Reporting:	For New Suppliers:
• Half of suppliers feel that the commonsku platform is second-to-none from a technical standpoint, and as it grows, will become the only game in town.	• Some heralded the benefits of commonsku's reporting to help segment distributors based on revenue, vertical, AE, which enables them to triage marketing and sales resources to high priority accounts.	• A few recommended commonsku as a good fit for new suppliers with few connections, looking to make an impact quickly.

Early Sales Engagement:	Brand Exposure:	Value Compared to Buying Groups
• A few noted the benefits of interacting on day-to-day customer projects, ideating in the feed, and being able to send sales for direct follow-up.	• A few spoke to the hard-to-measure value of seeing their products pop up more frequently in collections on the platform. • Others considered the entire partnership with commonsku to be a valuable investment in positioning their brand with the right community.	• Some customers and prospects still loosely describe commonsku as a buying group. • Others see that commonsku has a different ethos. • Some suggest that commonsku incorporate some of the benefits of buying groups, like preferred supplier status.

Adoption and Engagement

How Sales is Using commonsku:	How Marketing is Using commonsku
• Some use commonsku as a tool for nurturing relationships with a larger volume of lower-tier customers who don't get dedicated face-to-face sales time. • A few have built dashboards for regional territories and use it as a tool to decipher which targets to go after. • A few see it as an opportunity for sales to take a more proactive role, rather than just reacting to projects and opportunities.	• A few suppliers have assigned dedicated marketing resources to promote products, engage with distributors in the feed and generally try to expand their presence. • These suppliers have reported higher levels of growth and ROI.

BUYER OBJECTIONS

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| <ul style="list-style-type: none">• Who is going to join the platform tomorrow? Will it be distributors we already work with (and we will have to pay twice)?• Once we have PromoStandards fully integrated, will that not fix these issues for the 20% of our customers from whom we get the most business? | <ul style="list-style-type: none">• We wouldn't recommend commonsku to other suppliers because then we'd be competing with them for the same business.• I don't need commonsku to reach my customers...we have already reached them• This is going to cost us a lot of money... do I really need this platform? | <ul style="list-style-type: none">• We are almost competing with commonsku for buyers...since they could place an order directly with us.• Maybe they'll drum up the PO in commonsku, but the can just pull it out and email it to us. Either way, we will get the order. |
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DISTRIBUTORS WISH THAT...

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| <ul style="list-style-type: none">• More suppliers would get fully integrated, as it makes it much easier to work together. | <ul style="list-style-type: none">• Suppliers would engage more productively... not in an overwhelming, unhelpful way | <ul style="list-style-type: none">• Contact information for supplier contacts was up-to-date and clear. | <ul style="list-style-type: none">• commonsku would make it easier to refer suppliers to the platform. | <ul style="list-style-type: none">• commonsku would develop functionality to enable suppliers to customize offerings to different tiers of distributors | <ul style="list-style-type: none">• commonsku would offer designations for B-corp, women-owned suppliers. |
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“BUYING IN” HURDLES

Most buyers didn’t feel any pain points urgently enough to seek a new solution beyond their current alternatives.	How can we reposition commonsku for suppliers as solving a do-or-die versus a nice-to-have problem?	Develop pre- and post- sales forecasting and reporting functionality into an impossible-to-live-without competitive advantage.
Early perceptions of commonsku as an “online forum like Facebook” may make it hard for buyers to take it seriously it as a revenue-driving, business-critical tool.		
Some suppliers still refer to commonsku as a buying group, which lays unsteady groundwork for a cost-per-transaction model.		
Suppliers aren’t fully aware that for top distributors, commonsku is their first-stop and preferred way of working with suppliers.	How can we give suppliers more insight into distributor buying behaviour, and position commonsku as an essential first stop?	Publish annual original research on distributor buying behaviour to inform suppliers that this is place to find high-quality distributors. Also, use this as an opportunity to show how commonsku vs buying groups occupy a distinctive part of the distributor buying journey and mindset.
Suppliers who get 80% of revenue from 20% of distributors at best see commonsku as a solution to scale relationships with the lower-tier sales priorities...but prefer to manage the lion’s share of their business through more white-glove, personal relationships/channels.	How can we help suppliers see the value beyond gaining new customers (which they may or may not think they need), to ALSO help them get more value out of relationships with their current customers?	Develop new ways for suppliers to scale re-engagement to get more business out of current customers. Examples: re-engagement campaigns, segmenting distributor groups for communications, etc.
Anticipating sales growth and platform ROI is messy as it’s based based on potential for new customers, which is largely dependent on how many existing relationships/rebates are in place prior to joining commonsku.		
In general, staffing is a challenge and specifically, buyers are unsure how and who to assign to engage on commonsku--should it be sales or marketing?	How can you help suppliers over the hurdle of staffing the platform to ensure that they engage deeply and get the best results? How do we help sell the change management piece, particularly for very busy sales teams?	Focus on engaging and empowering suppliers with strategies on incorporating the platform into their existing marketing and sales practices. Consider faciliating a user group to learn more about how suppliers are embedding commonsku in their sales and marketing practices. Based on these learnings, you could create and publish a new suppliers guide for using commonsku, including options for integration, implementation plan, best practices on how to assign internal resources to use commonsku, etc. Also consider developing more videos and training on how to build collections and upload information.
There is little attraction to commonsku as a one and done marketing solution, since it involves more dedicated resources and change management than other options.		
Engaging sales in commonsku as part of their daily customer communication process isn’t part of every suppliers’ commercial strategy and some can’t justify the time spent.		
Operational efficiency ROI is not often considered from the supplier side (although appreciated by a few distributors) as some still need to spend money cleaning up POs.	How can you help suppliers reframe the value of the platform from operational efficiency to a problem that they care about?	Better problem: How to inform their commercial strategy to understand how to prioritize sales and marketing resources. Change the narrative to focus on the “old way/new way” shift in how suppliers and distributors interact, and lean on the business forecasting benefits of commonsku as an essential tool for proactive commercial organizations.
High cost to solve operational efficiency challenges with commonsku, compared to how suppliers are currently solving this with cheap overseas labour.		
Nearly every supplier interviewed (as we as most distributors) shared a clear picture of how commonsku could become a more useful tool: with more robust forecasting and reporting. But it’s not quite there yet, and this affects how much money and resources they are willing to spend on the platform.	How can you help suppliers see the value in assigning marketing/sales resources to engage with the platform? How can you help suppliers generate more sales through the platform?	Develop pre- and post- sales forecasting and reporting functionality into an impossible-to-live-without competitive advantage.

GROWTH HURDLES

Measuring sales growth and ROI remains hard to parse out without a clear way to tie time spent in the platform to revenue generated.	How can you help deepen overall supplier engagement on the platform and help them get more sales results? What new ways can you offer suppliers to proactively forecast business and more deeply engage with distributors?	Develop pre- and post- sales forecasting and reporting functionality into an impossible-to-live-without competitive advantage.
Suppliers would like to be treated as one of a few on the commonsku platform, gaining brand exposure, status and have more business formally funneled in their direction.	How can you help suppliers get more sales from the platform to support an ongoing partnership?	Consider developing a premium supplier plan as an incentive for fully integrated suppliers. Include: Recommendations on how their profiles are set up and updated; recommendations on staffing the platform for maximum engagement; tags for different certifications (B-corp, women-owned, etc), strategies for promoting suppliers who are newly integrated.
A few suppliers are reluctant to recommend commonsku to other suppliers, as they fear the competition. This presents a growth loop problem. Distributors and suppliers are unsure on how to recommend commonsku to each other--should they go via PromoStandards first?	How can you encourage suppliers to want to recommend their supplier friends (rather than feeling competitive)? How can you give distributors an easier way to recommend commonsku to suppliers (and vice versa)?	SARAH MACKINNON BUYER ENABLEMENT CONTENT STRATEGY