

The Power of a Conservative, Cross-Category Go-To-Market Entrance to Effectively Sell - Insights into Consumer Electronics Distribution

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- Paul Brenden, President of PK Distribution, LLC

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Paul Brenden serves as the president of PK Distribution, LLC, a wholesale distributor of consumer electronics. Based in Wyoming, the distributor is smaller in scale and connects technology vendors with buyers, including Microsoft, Gamestop, Best Buy, Target, Cosco, and Krogers.



Setting the Stage to Secure Distributor Relationships

New clients typically reach out to Brenden via email first. Details that Brenden looks out for before meeting are an introduction to the product via a PowerPoint, sample pricing, and their current status (if any) in the US market.

"That's the first step. And then if we agree that it may be a good fit, we schedule a Zoom call so I can get a feel of who they are, what their product is, and have them go through the presentation. Following the call, I request a couple of samples. That way I can see the quality packaging."



Paul Brenden, President of PK Distribution, LLC

Direct outreach to the top decision-makers of smaller distribution companies can be one of the quickest ways to land a meeting. However, preparation must be done first. If any details, such as flaws in a product's packaging, are off, deals will likely be off. When working with companies like PK Distribution, it is the manufacturer's job to ensure that all of their core marketing materials are ready in advance of securing distribution partners.

Brenden further explained the importance by noting that *"packaging is key. Lifestyle pictures and crystal clear product images make a big difference, especially once you get into the stores. Ensuring this level of quality will create a higher perceived value of your product [within the US market]."*

Additional factors that will help contribute to positive outcomes with distributors include having a "permanent US address and a US bank." Brenden works with vendors from small-scale startups to international manufacturers and stresses the importance of meeting this criterion for each.

Another aspect to keep in mind? Forming a positive relationship with one distributor can open the door to additional distribution partners.

The Myth of the Single Distributor Pathway and The New Normal of Cross-Category Sellers

When asked about the "single distributor" pathway, Brenden explained that *"no distributor in the US works on all accounts."* Each has a different network of buyer connections to fulfill vendors' specific needs. Brenden will often recommend additional distributors within his network if a vendor is interested in supplying other sellers.

Forging a solid relationship with one distributor to start can allow your brand to cut past initial cold introductions and more rapidly secure additional partnerships. Medical device distributors should focus first on forging **one solid relationship with one US distributor** when entering the market. They should also remain open-minded to the types of distributors.

With 25+ years of experience in the consumer electronics industry, Brenden has noticed significant shifts in US sellers' categories. *"Before, companies like Walgreens were the only ones that sold in the health category. And Best Buy only did retail of consumer electronics. Now they're all blended. I conduct the same process for wellness products and health products because every retailer now has a health division category."*

Many health-tech developers opt to target traditional leaders within this sphere, such as Walgreens and CVS. These sellers feature a high level of competition and, as a result, can be challenging to penetrate. Alternative avenues, including grocery stores, should not be neglected. They offer the same categories and may serve as a more strategic market entry partner.

When forming deals with sellers, Brenden emphasizes taking a conservative approach when first placing your product in the market. *"Don't overextend. In the US, you can connect with one buyer that's excited about your product, and soon you're sending 5,000 - 10,000 units [for sales]. The problem is that there is no guarantee that they will actually sell."*

Starting small through one avenue of distribution to test the market's reaction will be vital. He stresses that those who opt for a more aggressive approach end up in the close-out bins of stores. The same product demand experienced in other countries should not be anticipated in the US.



He's seen this happen time and time again with major sellers like Walmart. *"Suppliers spend all their own money on manufacturing, packaging, and shipping out to all the Walmart PCs, only to find out 10% sold. Then Walmart wants to send it all back to the vendor, and then they have to go with it."*

To help curb this issue with new clients, Brenden typically recommends listing products online first as a market test. *"I tell everybody, if you want a relationship, we can start small. Most of the time clients will be listed on a dot com like BestBuy.com or Krogers. We start small, see if it catches buyers' eyes, and then if it does, we'll move it into stores."*

What Stands Out Now and Other Key Takeaways for Medical Device Manufacturers

Which products tend to do well in the market according to Paul Brenden? Well, *"it all comes back to uniqueness. If a product is prominent in the market, people will often glaze over it."* Communicating a device's unique offering to the market will be vital in effectively distributing and selling.

Brenden specifically sees gaps for penetration within one key sphere. *"As the older, not tech-savvy, generation ages, anything that is easy to use and can help them will likely stand out."* International manufacturers developing devices within this niche may have an advantage when entering the market.

Overall, the types of distribution channels in the US market are expansive. Go-to-market strategies should not be limited to the top-performing companies in each product market. Manufacturers should evaluate partners outside their specific industry to locate niche areas for placement.

A smaller, conservative market entrance can help save suppliers from negative financial repercussions. Sellers ultimately need to be strategic in their market preparation and outreach efforts, leaving no stone unturned in the search for the right go-to-market partners.



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If you are interested in connecting with Paul Brenden or in working with PK Distribution please send an email to sim@bdmtglobal.com