How To:
Sell Your Product to a Distributor

B.C. Ministry of Agriculture and Food Market Readiness Series

Expanding your product's reach in retail and foodservice markets often requires working with distributors. Successfully partnering with a distributor enables you to scale efficiently by leveraging their logistics, market access, and established networks. Learn how to identify the right distribution partners, navigate pricing and logistics, and meet food safety requirements to position your product for long-term success.

1. Understanding Distributors

A distributor acts as an intermediary, purchasing products from producers and reselling them to retailers, foodservice operators, or other buyers. They manage logistics, warehousing, and inventory, allowing food and beverage businesses to focus on production, branding, and sales.

Types of Distributors:

• **Broadline Distributors:** Supply a wide range of products across multiple food sectors, including healthcare, education, hospitality, and retail.

• **Specialty Distributors:** Focus on niche markets such as organic foods, plant-based products, or frozen and refrigerated items.

• **Regional Distributors:** Operate within specific geographic areas, offering localized distribution networks.

• **Retail-Oriented Distributors:** Work with supermarkets, independent grocers, and big-box retailers, requiring category compliance.

• **Foodservice Distributors:** Supply bulk-packaged goods to restaurants, institutions, and hospitality venues, prioritizing efficiency and consistency.

Wholesalers vs. Brokers

Wholesalers: buy in bulk and resell, typically without additional services.

Brokers: act as sales agents connecting producers with buyers but do not manage inventory or logistics.

2. Why Work with a Distributor?

Partnering with a distributor offers several benefits, particularly for scaling your business and expanding into broader markets.

Key Benefits:

• **Expanded Market Reach:** Leverage distributor networks to access retailers and foodservice operators.

• **Time and Resource Savings:** Distributors handle warehousing, logistics, and fulfillment, allowing you to focus on growth.

• **Financial Predictability:** Payments from distributors help simplify cash flow management.

Considerations

Marketing Responsibilities: Distributors may promote your product through sales reps or marketing campaigns (often for additional fees), but you must maintain active marketing efforts.

Sales Support: You may still need a broker or internal sales team to secure retailer commitments.

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Payment Terms: Distributors often operate on Net 30 or Net 60 payment schedules, which can impact cash flow.

3. Selling to a Distributor

Conduct Market Research

Assess demand and industry trends to determine if a distributor partnership aligns with your business strategy. Refer to **How to Conduct and Use Market Research** for guidance on evaluating potential markets.

Finding the Right Distributor

Specialization: Look for distributors who align with your product category.

Target Market Fit: Ensure they serve the retailers or foodservice operators you want to reach.

Networking: Attend trade shows and industry events to connect with potential partners.

Meeting Distributor Requirements

GS1 Registration: Most distributors require GS1-issued UPCs for product tracking.

Food Safety Compliance: Certifications such as HACCP, GMP, or CFIA approval may be required.

Packaging and Labeling: Ensure compliance with distributor and retailer standards.

Refer to **How to Manage Logistics and the Supply Chain** for additional guidance on preparing for distributor expectations.

4. Planning for Distributor Cycles

Distributors plan their purchases around seasonal demand, major holidays, and retailer promotions. Aligning your production and marketing efforts with their cycles ensures smoother operations and better market reach.

Example: If your product is a holiday-themed jam, distributors may require shipments by early September for stocking and promotion by November. Adjust production and packaging schedules accordingly.

5. Presenting Your Product

A strong product presentation is essential for securing a distributor partnership.

Steps for Success:

1. Prepare a Sales Pitch: Clearly outline your product's unique value, market positioning, and target audience.

2. Provide Key Materials: Bring a professional sell sheet, pricing list, and product samples.

3. Demonstrate Market Demand: Showcase existing sales, customer feedback, and promotional plans.

4. Showcase Sales Support: Distributors prefer products backed by marketing efforts.

For more details on pitching strategies refer to **How to Develop and Deliver a Sales Pitch for Your Product**.

6. Managing Distributor Relationships

Building a strong partnership with your distributor requires communication, collaboration, and adaptability.

Best Practices:

• **Regular Communication:** Keep distributors informed about inventory levels, pricing changes, new products, and packaging updates.

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- **Collaborate on Sales Performance:** Work together to track sales trends and adjust strategies.

- **Build Trust:** Maintain transparency on product adjustments, promotional plans, and market insights.

- **Be Adaptable:** Distributors provide valuable feedback based on retailer and consumer needs—use this insight to refine your approach.

Refer to **How to Sell Your Product to a Retailer** for insights on relationship management that also apply to distributor partnerships.

Conclusion

Success in working with distributors depends on preparation, adaptability, and collaboration. Begin by evaluating whether a distributor partnership supports your business strategy, growth objectives, and market positioning. Identifying the right distributors and understanding their requirements will help you build strong relationships, increase product visibility, expand market reach, and drive long-term success.

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