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# How to keep “E-tailers” from cutting into your sales

Get a leg up on online retailers with in-person benefits.

**B**rick and mortar retailers big and small across the country are being shaken to their foundations. “E-tailers” like Amazon are changing the way people shop in ways no one could ever imagine less than a decade ago. Who would have foreseen Radio Shack, Toys R Us and so many other retailers crumbling?

Recently, I was shopping at Walmart. I asked a clerk for help. She spent time helping me, but we couldn’t find what I wanted. She suggested next time that I order online and pick up my order up in-store for free shipping. It sounded like an odd suggestion for a retail employee. But if I’d ordered online I’d have been assured the product was there and not wasted a trip. Is that a wise retail strategy?

On the flip side, a friend that runs a small non-profit told me he now orders almost all his supplies through Amazon. Pricing is cheap, reordering is fast and as long as he orders the minimum, shipping is free. It’s far less strain on his limited resources than sending an employee out every time they need toilet paper or toner cartridges. But what’s the impact of that on local merchants?

Have you felt the impact of e-commerce on your “steel and rubber” store, yet?

If not, you’re not alone. Most tool dealers I’ve talked to say Amazon isn’t as big a competitor as the other dealers on his or her route. But don’t let that lull you to sleep. I’m sure Sears didn’t see the competition coming, either.

So, how can you prepare to position yourself to win the war against e-commerce? You probably already know what sets you apart and makes doing business with you more valuable. There’s nothing new. You just need to stay on top of your game.

Here are some things you need to remind yourself and your customers to maintain your competitive edge:

## Give them a first-hand look

Online retailers can never replace the selling power of holding a tool in your hands, especially hardlines. Nothing beats feeling the weight, the balance and the precision of a quality hand tool. So, if you want to sell it, you have to stock it.

“I tell my customers that I don’t sell tools, I sell service,” says 19-year independent tool dealer Jackie Rose of Huntsville, Alabama. “That’s what they pay me the extra money for – so I can bring it to them [to] see, touch, feel ... all that stuff.”

## Warranty it

Most hand tools on your truck carry a lifetime warranty. While you may not like promoting that, it is actually a big competitive advantage. While many online tools may also have a lifetime warranty, it requires an investment of time and money to ship it to the factory for repair or replacement. On the other hand, a good dealer will seamlessly handle the whole warranty return.

“As my customer, you know if there’s a warranty issue we’re going to take care of it. You don’t have to find some company to mail it off to,” says Matt Rowaan an employee of independent dealer TOOLBOX Automotive Tools and Equipment of the Niagara region of Canada.

## Finance it

Ordering online requires a credit or debit card. Besides the all-too-common risks of using a credit card online, it also can carry interest charges. Your truck account doesn’t require interest payments. (But you still may want to keep a credit/debit card on file for each customer to minimize skips.)

“You’re paying for a tool in full when it comes to you from Amazon, whereas you’re paying your tool dealer weekly payment on account,” says 12-year Mac Tools dealer Michael Gruber of Virginia Beach, Virginia. In essence, a good tool is paying for itself.

## Get it now

When a customer buys a tool online, they have to wait for it to ship. When they buy from a mobile tool dealer they can start using that tool instantly. That’s another important reason to be sure your truck is well stocked.

## Keep it fresh

Customers look to you to find out what’s new. If you are keeping up with the trends you will be able

### Go online for more

There are lots of ways you can offer superior service over online vendors. For more suggestions not included here, visit [vehicleservicepros.com/21017501](http://vehicleservicepros.com/21017501).





Photo courtesy of iStock

to show and sell products before your online competitors.

“I hear a hundred times a day ‘what’s new?’ from every customer coming on my truck,” Rose says. “So I’ve got to be able to find out what the newest, hottest product is, order it and get it on the truck ... I’ve got twelve other people in this town that are selling tools. It’s pretty crowded ... not even counting online sales.”

### Make it inviting

One reason I personally like buying online is I can do it in my pajamas with a soda in my hand. I’m not saying you need to have a sleepover on your truck to make customers comfortable. Just spruce things up. Be sure everything is neat and organized. Provide drinks and snacks (for sale). Make your truck a fun and relaxing break room.

### Bond over it

Creating a connection between you and your customers is important. You don’t need to be “besties,” but just create a real relationship. People like to buy from people they like. So, make buying from you something they enjoy vs. the faceless Internet “Buy Now” button.

Most importantly you want to build

trust. Your reliability, your service and your integrity are everything in the tool business.

“Repeat business is everything,” Gruber says. “If your customer can’t trust you, why is he going to buy from you? I’m going to see the same guy week after week ... I need to look him in the eye. The online guys don’t have to do that.”

### Demo it

Although online demo videos can show how a tool works, nothing compares to a hands-on demo. It’s much easier to watch a demo and ask questions. Even if you just point to a video demo on your truck, the customer can still ask questions.

“If I have a guy that’s on the fence about a tool, I’ll tell him to take it and try it for a week,” Rose says. “Probably 90 to 95 percent of the time when I come back [next week] he wants to buy it ... I’ve done that so many times ... And that’s not something you can do when you’re buying online.”

### Buy smart

Even with all the value-adds you bring to the table, price competition is not going away. Whether it’s You vs.

Amazon or You vs. The Other Flag, someone will always try to steal a sale on price. So, it’s wisest for you to stock up when product is on special so you can offer good pricing without destroying your margins.

### The bottom line?

You need to keep your competitive skills sharp to stay ahead of online retailers.

If you aren’t feeling the impact of online retailers today, you soon may. Your millennial customers want convenience, ease of shopping and good prices. And they’re as comfortable in the virtual world as they are in the real world. In fact, I’d say they may even be *more* comfortable online than offline.

Think of all the young people you’ve seen in social settings that seem more involved with their phones than with each other. It’s just a sign of things to come.

**Feedback? Ideas? Insights?** Email [phil@philsasso.com](mailto:phil@philsasso.com). Or leave a *personal* voicemail for me at 847-250-PHIL (847-250-7445). 

### Should You Sell Online?

Some dealers are fighting fire with fire by opening their own e-commerce websites. Is it something you should consider?

Online services like Shopify and Wix make it easier to create an online store. But don’t confuse “easier” with “easy.” Online stores require a lot of time to set up and maintain. If you don’t play nice with technology, the task can seem overwhelming.

You need to gather images, descriptions and prices, and import them online. You need to deal with online credit card authorizations. You have to watch inventory and orders.

And finally, when you make a sale someone has to box up, label and ship that order. And let’s not forget the headache of dealing with any complaints and returns.

The good news: you can take orders online 24/7. The bad news: online sales are often at the expense of profits. Competing head-to-head online means facing cut-throat pricing and razor thin margins.

Is that really the best use of your after-hours time?