

Wholesale vs. Direct to Consumer Selling

“Selling wholesale sucks.” That’s what I heard from a client last week, I’ll call her Felicia.

She’s struggling with her sales reps and the fact that in-person Trade Shows are either remote or canceled completely.

I made a list of all the reasons selling to boutiques and department stores can feel suck-y.

And I say *FEEL sucky*, not necessarily that they *ARE sucky*. It’s all in how you perceive things and it certainly depends on who you talk to – *what you sell, how you manufacture, your personality type...*

Of course, anything can “suck” if you’re looking for reasons for it to suck. If 2 people go to the same party and one has a great time but the other one has a terrible time...was the party good or bad?

Neither. It was just a party.

Next, I made a list of things to LOVE about selling wholesale.

Let’s get started looking at both methods of selling and see what’s right for YOU and your business.

Things NOT TO LIKE about selling wholesale

- Markdown money
- Buyers who ignore you
- Buyers who place orders and then don’t accept the delivery
- Boutiques who get terms and then don’t pay
- Lower margins than B2C
- EDI compliance
- Packaging requirements
- Confusing shipping requirements
- Buyers who are crazy
- “I just want to switch it out” buyers
- Buyers who cut you off while you’re showing them the collection – *no, no, no, not my customer...*

And that’s not all...

- Late deliveries that “aren’t my fault”
- Financial and societal crashes that can put entrepreneurs reliant on wholesale out of business
- Cold calling
- Making lists of stores to contact – time consuming and mind numbing
- Pre-screen the stores with a phone call
- Have to be nice all the time
- Have to pretend you don’t mind waiting

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- Buyers who place large orders have a lot of power over you (Starbucks story)
- Markdown money (big box stores)

Things TO LOVE about wholesale

- Quantity
- One buyer, one order, more streamlined
- Can FIND the buyers fairly easily
- Reorders!!
- Boutiques are loyal
- Make great friendships
- Trunk shows
- Larger quantities increase production quantities and lower your manufacturing price
- Street cred – *Bloomingtons, Saks, Macy's*
- Social proof
- Increased awareness can lead to MORE online sales
- Seasonality of selling balances e-commerce / direct to consumer sales and busy periods
- Less schlepping than if you're selling at markets of craft shows
- Outdoor markets that get rained out – windy / cold / hot...
- Customers who complain about price

So the question is...does selling wholesale really suck?

Depends on you. Your goals, how you like to work, your product, who you like to work with. It's worth considering if you want a few powerful "bosses" or many "little bosses" who each only have a little power if you're selling online or direct to consumer in any way.

Jewelry designer Megan Auman has a [great article](#) on why she loves wholesale and how it improved her quality of life. (<https://bit.ly/3hrJioZ>)

The verdict

I think it's TOTALLY worth it to sell to other retailers, even if it's just 10 stores.

Here are the **2 main reasons I recommend selling wholesale:**

1. Pad your production quantities so you get better pricing on your manufacturing
2. Street cred / social proof

And a third reason – IMHO not as important but still valid – is that the increased distribution can lead to more online sales. In my podcast interview with San Francisco designer [Sarah Liller](#), she talks this and shares her experiences.

The problem I see with makers and designer trying to sell to boutiques is that they *think like designers* and have NO CLUE what goes on in a buyer's head. If you want to get your product into stores, boutiques, museum shops, etc., you need to know what's important *to the retailer*, not to you.

Think like a retailer, not a designer

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You need to know what they look for in new lines, and...

- what to say to get a buyers attention
- what NOT to say
- what email subject lines work
- how to send emails that get opened
- how often to contact a buyer
- the main pet peeves retailers have about working with small companies
- what a good line sheet looks like
- what the selling seasons are so you're not too late to the party

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Have a great day!

Jane