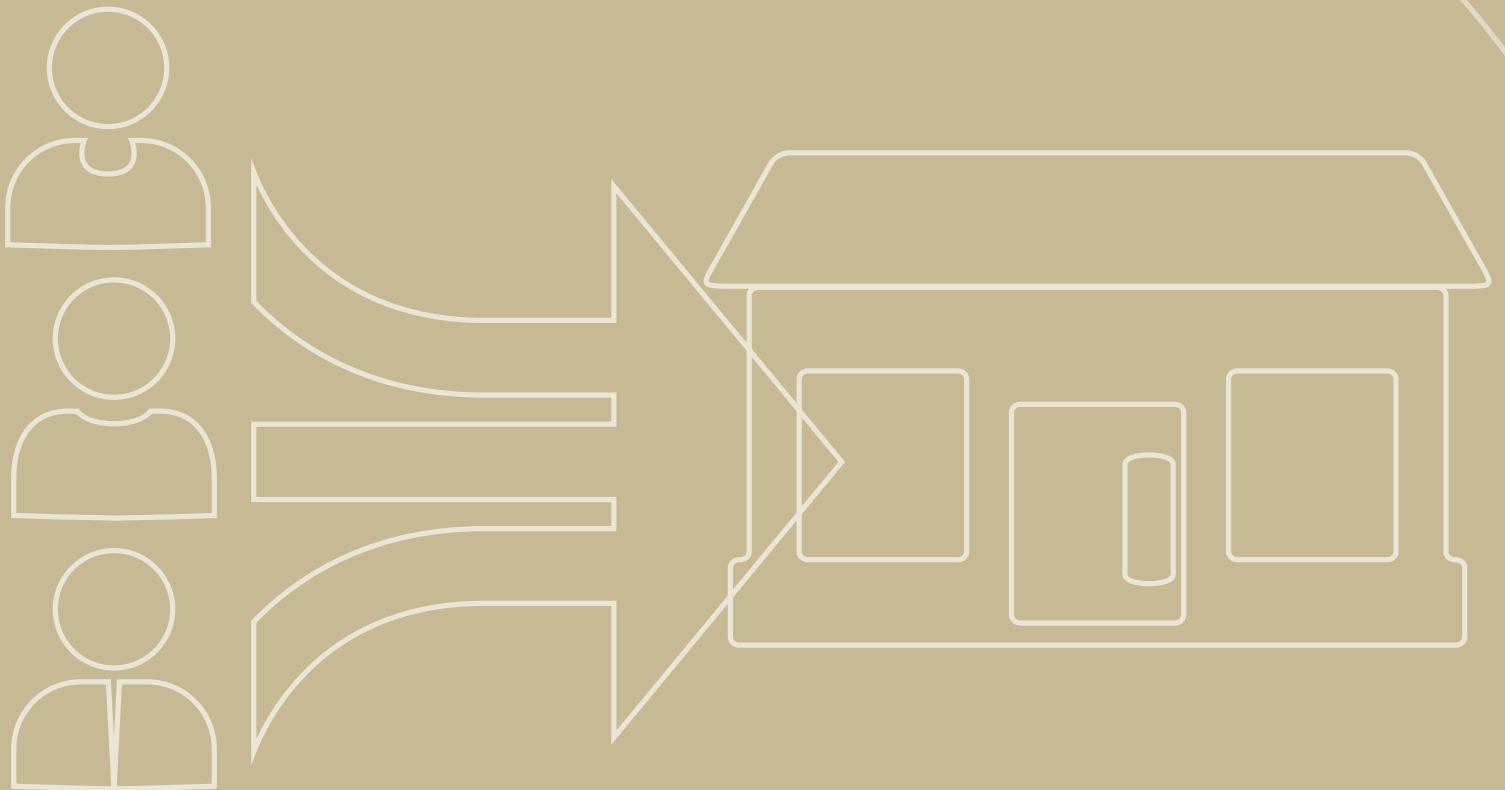


# The Distribution Story: The Power of Efficiency and Relationships



# The Distribution Story

## The Power of Efficiency and Relationships

Do you ever wonder how your favorite snacks end up on the shelf of your corner market? Or how they always seem to have the newest products for you to try? What is it you love the most about your go-to snack stop? Maybe you like the multitude of choices on the fully stocked shelves, the clever marketing materials, or a chance to breathe in deeply when you open the cooler case on a hot day.

In a world where time is of the essence, the convenience distribution industry plays a vital role in keeping our daily lives running smoothly. From the local corner store to the largest retail chains, this industry ensures that products are available at just the right time and place for consumers. Behind the scenes there are countless individuals working tirelessly to make it all happen. This is the story of their dedication, hard work, and the impact they have on our daily lives.

## Who are Convenience Wholesale Distributors?

Convenience wholesale distributors specialize in providing a wide range of products to small retailers, such as convenience stores, gas stations, and mini marts. By partnering with multiple manufacturers, they can offer a broad selection of products, including snacks, beverages, tobacco products, personal care items, cooler products and more. Distributors operate to provide their customers with the ease of purchasing a variety of goods, in manageable quantities, and different brands from a single supplier, often at competitive prices.

At a high-level the distribution process is seemingly straightforward. The manufacturer creates the product and sells it to a wholesale distributor, who then distributes it to retailers and to the end consumer.

But a high-level industry overview doesn't paint the entire picture of this link in the supply chain or the number of people it takes to achieve success. Wholesalers have a wide range of responsibilities to ensure they support mutually beneficial relationships with both manufacturers and retailers.



## What Careers are Available in the Wholesale Industry?

Strategic functions and careers found in the wholesale field include purchasing, inventory management, logistics and transportation, warehouse, janitorial and maintenance, accounting, customer service, human resources, sales, and marketing.

Each role depends on one another to ensure the wholesaler is meeting the demands of the market while serving as a collaborative business partner to both manufacturers and retailers. The jobs created in the wholesale industry offer people with different backgrounds, education and experience an opportunity to join and make an impact in their communities.



**Purchasing agents** are essential in securing goods and services that are crucial for a company to operate smoothly. By negotiating better deals, maintaining supplier relationships, and reducing costs, they have a direct impact on the company's bottom line.



**Inventory management** is crucial for wholesalers to optimize their operations and maximize profitability. Team members ensure that products are available at the right time to meet customer demand, while minimizing excess stock and associated costs.



**Warehouse** team members are the heart of the operations. These functions include various fulfillment employees like pickers and packers that work together to receive products, organize the warehouse, and package and fill orders safely and efficiently.



**Transportation** is key to the success of the wholesale distribution industry. Adjusting with the desire of work-life balance, wholesale distributions offer the opportunity for commercially licensed drivers, or long-haulers, and daily drivers who are able to make it home for dinner with their families.



**Janitorial and Maintenance** play a crucial role in ensuring clean, safe, and functional environments for individuals and communities. Their work helps maintain equipment and facilities, and contributes to overall well-being of team members.



**Customer service** plays a vital role in maintaining customer satisfaction. Addressing inquiries, concerns, and other issues in a timely and efficient manner makes all the difference in building customer loyalty.



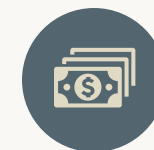
**Sales associates** are responsible for selling products and building relationships with customers. This involves understanding their needs and providing solutions for their challenges. With technology at their fingertips, sales associates utilize a mixture of real-time industry and store specific data to drive business decisions.



**Marketing** is essential to promoting products and building brand awareness. This includes identifying target audiences, creating marketing campaigns, and developing product messaging. Distributor marketing teams also support retailers by creating and printing signage to strengthen promos and choice offerings.



**Human Resources** are crucial in any organization as they are responsible for managing the organization's most valuable asset - its employees. Effective human resource management can lead to improved employee satisfaction, productivity, and overall success of the organization.



**Accounting** supports the financial welfare of the business. Accounts receivable and payable are responsible for core financial components including monitoring and managing cash flow, tracking operational expenses, and finding growth investments.

## Why are Convenience Wholesale Distributors Important to Manufacturers?

Wholesale distribution is an important component of the supply chain, as it enables products to be efficiently and effectively transported from manufacturers to retailers. This process saves time and resources and allows for larger quantities of products to be distributed at a lower cost. Wholesale distribution makes it possible for manufacturers to focus on their core competencies such as research and development, production, and marketing, while distributors handle the logistics of product storage, packaging, and transporting products to market. Distributors also support manufacturer incentive programs.

Wholesalers also provide valuable feedback to manufacturers. With daily customer interactions, wholesalers monitor market demand, collect real time feedback, and aggregate consumer preferences through a variety of data programs. Frequent and direct interaction with customers allows distributors to recognize trends and report real-time data to manufacturers. This open line of communication supports manufacturers' business plan to maintain or improve their position in the industry.

## What is the Value of Wholesale Distributors for Retailers?

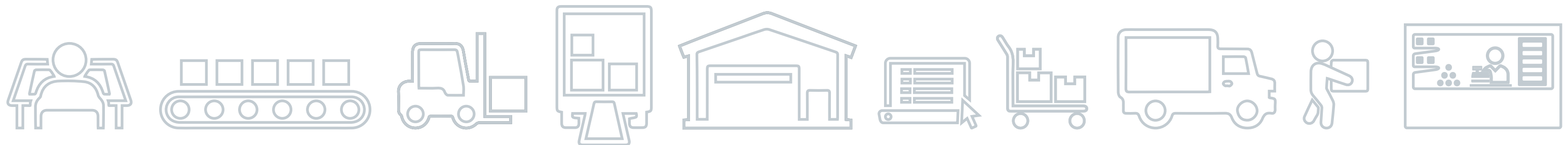
93% of Americans live within ten minutes of a convenience store and spend an average of 3 minutes per store visit. It's up to the partnership between retailers and wholesale distributors to make sure consumers have the products they seek.

Distributors work with their retail partners to keep shelves stocked with current, on-trend products that meet market demand. Additionally, local wholesale distributors support their retail partners by maintaining product demand data, developing attractive planograms (store configuration plans), supporting food service initiatives, and generating new ideas for revenue.

With real-time data at their fingertips, wholesale distributors use data to analyze sales trends, inventory levels, and consumer behavior to help retailers make informed decisions about stocking and pricing products. This allows retailers to optimize their inventory and pricing strategies to meet consumer demand and increase sales.

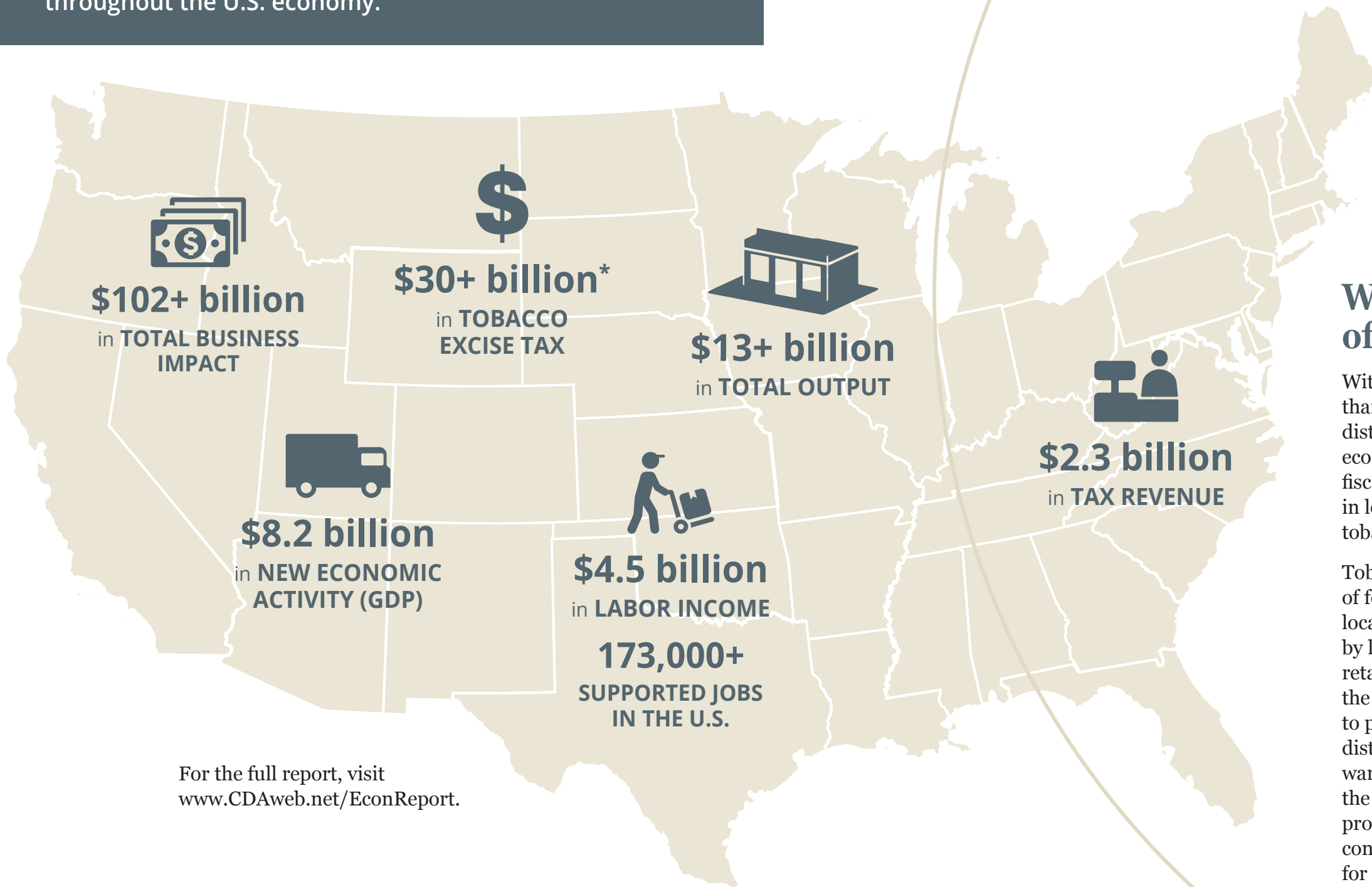
With more than 150,000 convenience stores in the U.S., and recent growth in single-store operators, wholesale distribution provides ways to maximize profit and efficiency while minimizing overhead and liability.

Retailers rely on wholesale distribution to reduce supply chain and procurement overhead to allow more time to focus on business operations. Behind every successful retailer is a trusted wholesale distributor.



# THE CONVENIENCE DISTRIBUTION SECTOR

contributes BILLIONS in economic and fiscal activities throughout the U.S. economy.



For the full report, visit [www.CDAweb.net/EconReport](http://www.CDAweb.net/EconReport).

## What is the Economic Impact of Wholesale Distribution?

With over 173,00 supported jobs in the U.S. alone, and more than \$102 billion in total business sales, the convenience distribution sector has a substantial impact on the U.S. economy. This sector contributes billions in economic and fiscal activity in the U.S. economy including \$2.3 billion in local, state, and federal tax revenue and \$30+ billion in tobacco excise taxes.

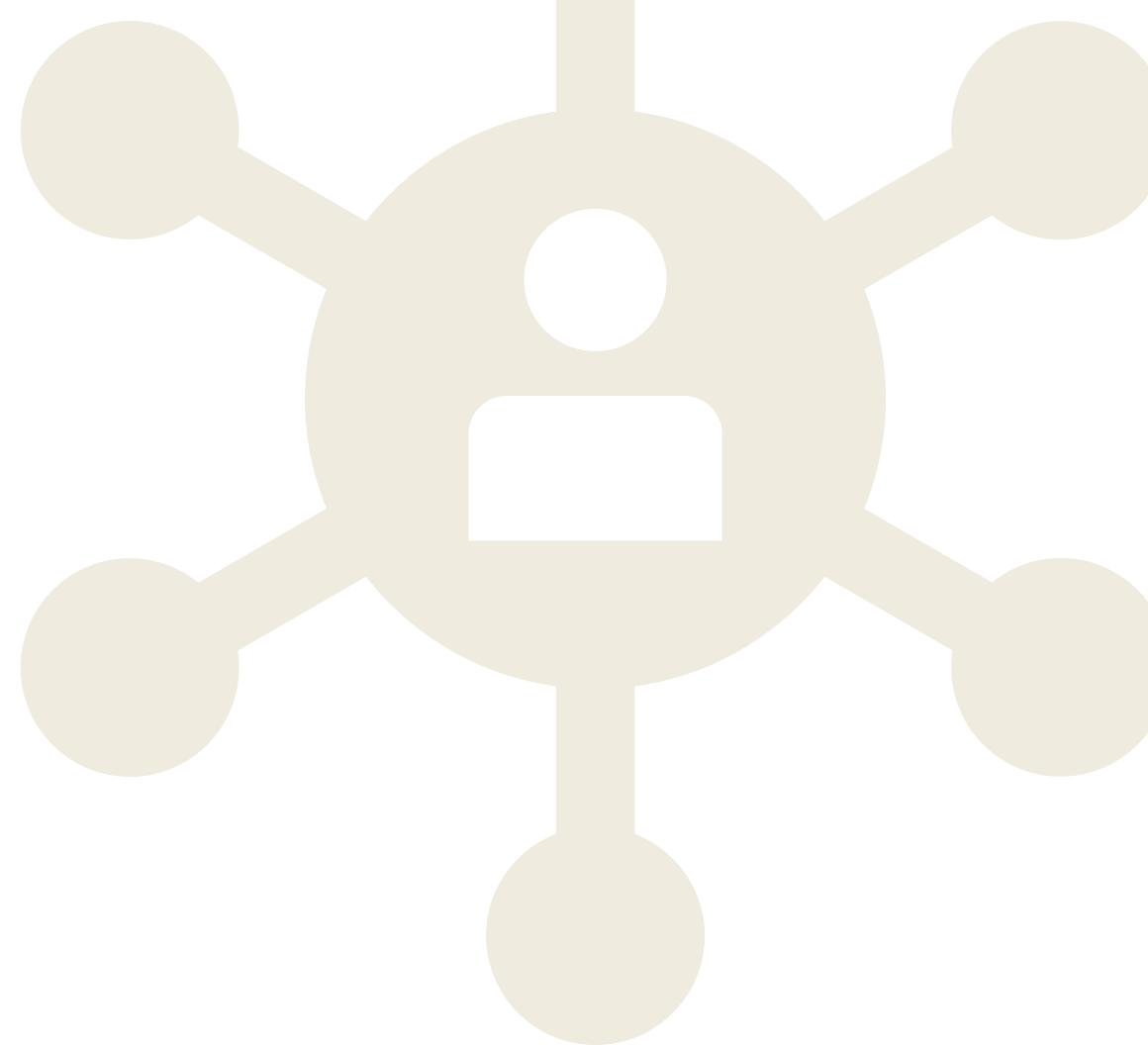
Tobacco products are subject to a variety and combination of federal, state and local prepaid excise taxes, depending on location. Prepaid tax stamps are applied to tobacco products by licensed wholesale distributors prior to being sold to retail market outlets. Licensed wholesale distributors take the burden of prepaying taxes, applying applicable stamps to packaging and storing in their warehouses. Wholesale distributors make significant investments in dedicated warehouse space, equipment, software and training to support the tax stamping process. By distributors owning the excise tax process, it allows licensed retailers to purchase with ease and confidence that their products have been properly accounted for and that there are no outlying tax liabilities.

\* Orzechowski; Walker. "The Tax Burden on Tobacco." 2022. Volume 57. Wilmington, North Carolina and Richmond, Virginia.

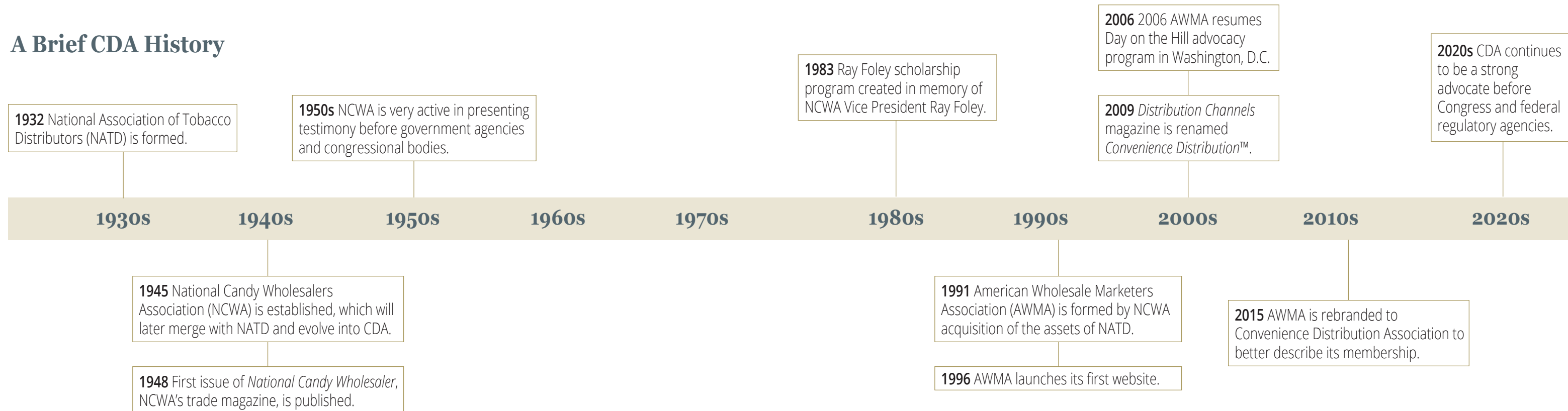
## Wholesale Distributors Support Manufacturers and Retailers . . . Who Supports Them?

The Convenience Distribution Association (CDA), formerly American Wholesale Marketers Association, has supported wholesalers for decades facilitating meetings and education within the industry. Founded by the merger of the National Association of Tobacco Distributors (NATD), established in 1932, and the National Candy Wholesalers Association (NCWA), established in 1945, CDA's distributor members represent more than \$102 billion in U.S. Convenience product sales and provide over 59,000 jobs.

To better align distributors with their trading partners and suppliers, CDA supports the industry through advocacy on legislative and regulatory affairs, business education programs, industry initiatives and research, and published products.



### A Brief CDA History





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