

# Liquidation Auctions for the Tech Hardware Value Chain

## BACKGROUND - EFFICIENT SUPPLY CHAINS AND LIQUIDATION

Today's competitive environment has companies at all levels of the tech hardware value chain scrambling to improve supply chain efficiency.

Though there are differences in how they operate and function as businesses - manufacturers, distributors and retailers are ultimately seeking to:

- Expand their reach to a larger buying base
- Hasten inventory turnover while maximizing value for goods sold
- Increase margins and revenue

The development and adoption of disruptive technologies such as IoT, blockchain and big data analytics has helped these companies make steady strides towards optimizing their supply chains and working towards the goals outlined above.

Another approach many organizations are taking to improve supply chain efficiency is to focus on reverse logistics by streamlining their liquidation process for excess inventory.

Innovative companies are making use of cutting-edge marketplace auction technology to revolutionize how they get rid of overstock, returned and refurbished goods.

B2B auction marketplaces can assist organizations within the tech hardware value chain with their liquidation efforts and achieving the goals outlined above.

This article will be taking a more in-depth look at how B2B auctions can specifically help each type of business in the sections below.



# DYNAMIC *INSIGHT*

## MANUFACTURERS

**From glass manufacturers to semiconductor fabricators, all kinds of manufacturers can harness B2B auctions to move excess goods faster.** Market conditions today have created especially immense competition pressure for manufacturers. B2B auctions are another tool to add to supply chain strategy to level the playing field.

### B2B marketplace auctions assist with:

- Opening direct channels to a larger market of buyers
- Liquidating inventory that does not fulfill QC
- Realizing market value for excess goods

Auctions allow manufacturers to offer buyers a direct channel to their goods. Having a direct selling channel provides a manufacturer with more control over how their goods will enter the market.

Many manufacturers face the problem of having overstock goods that do not fulfill the QC requirements of their existing buyers but are otherwise still adequate. Manufacturers can liquidate these products quickly by offering them to buyers with different quality standards through B2B auctions.

Manufacturers will also be able to maximize what they can sell these overstock goods for. The traditional approach of going to "jobbers" on the secondary market is ineffective because manufacturers are given sub-par prices that are much below market value. B2B auctions realize market value prices for goods sold. This is a much more lucrative alternative that also saves time.



# DYNAMIC *INSIGHT*

## DISTRIBUTERS

**Operating in a fast-paced environment, distributors need to maximize "earn and turn".** Excess inventory is a drain on money and time that needs to be handled swiftly. B2B auctions ensure that distributors can accomplish this formidable task effectively.

### B2B marketplace auctions assist with:

- Providing additional value to vendors
- Inventory productivity
- Increasing selling prices to achieve better margins on excess inventory

Distributors can use B2B auctions to create a vendor ecosystem and allow select vendors to put their listings up on the marketplace. This acts as a value-added service that distributors can provide for vendors that are not ready to explore B2B auctions on their own yet.

B2B auctions lead to increased inventory productivity. Items from the whole portfolio of products (winners, traffic builders, sleepers and losers) are all sold for more in less time. Having a mixed portfolio of items listed on auction can create a synergy in moving product quicker. (e.g Winners and traffic builders attract buyers that will see sleepers and losers. Buyers are motivated to consider buying sleepers and losers that they may not have before because of the great price they are available for.)

As discussed in the manufacturer section, B2B auctions increase final selling prices by actualizing the real market value for the items being sold. These increased selling prices help with margin management.



# DYNAMIC *INSIGHT*

## RETAILERS

**Many leading tech retailers are already using B2B auctions.** Online Marketplaces address challenges related to customer acquisition, liquidation and improving online buying experiences

### B2B marketplace auctions assist with:

- Customer acquisition and retention
- Liquidating excess inventory (especially returned goods)
- Improving eCommerce experience

As with any other type of retailing, customer acquisition and retention are paramount to success. B2B auctions excite new buyers with the opportunity of finding a good deal. This also leads to repeat traffic as bargain hunters are enticed to come back and monitor ongoing bids and new listings.

Of the different types of excess inventory, returns are an especially big concern for retailers. Auctions help retailers get rid of returned goods while realizing the highest prices for the items.

Last year, B2B eCommerce sales closed out with \$7.7 trillion dollars in worldwide. (Statista) This number will only increase. Retailers that want to capture a bigger portion of the online B2B market need to offer an eCommerce experience that truly stands out. Retailers with B2B auctions are offering their customers a value-added experience that their competitors are not.



# DYNAMIC *INSIGHT*

## KEY TAKEAWAYS - B2B AUCTION MARKETPLACES WORK

Organizations from all levels of the tech hardware value chain are constantly making improvements to their supply chains in hopes of achieving new levels of efficiency.

**It is imperative for companies who want to thrive to be actively adopting different technologies that will help them stay ahead of competitors.**

When implemented with the right online strategy, B2B auctions are a simple but potent solution that steadily increases supply chain efficiency. Many leading organizations in the hardware tech value chain have already adopted B2B auctions and are experiencing great results..

## B2B Auction Marketplaces For:



Manufacturers



Distributors



Retailers

Exploring streamlining liquidation? Get in touch and start a conversation.

Email: [info@commercedynamics.com](mailto:info@commercedynamics.com) Office: (647) 499-5929

