Protect Your Brand While Liquidating Inventory

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Excess inventory is a costly problem that most retailers face at some point. Sellers are particularly vulnerable when their product category is consumable items with expiration or "best if used by" dates, fashion goods and apparel, where the previous season's trends must be liquidated as the next season's merchandising takes top priority, and electronics, where each new model or version upgrade renders the last a little more outdated and less attractive for the store's core user base.

Regardless of category, almost every merchant handles returns and size exchanges in some capacity, and they must move these perfectly good items that can no longer legally be sold as new at MSRP, as well as open-box, yet undamaged returns.

Protecting your brand while offering closeout prices

Sellers need to be able to clear inventory out of their stockrooms quickly, using lower pricing as a driving tactic. Large brands may sell pallets of merchandise to top-tier liquidators, or sell to wholesalers and services such as B-Stock. These options are fast, but come with minimum quantity requirements, transport costs, and fees that must be considered, especially for small to medium-sized businesses with tighter margins.

Smaller, independent businesses often opt to sell excess or outdated inventory directly through a deeply discounted "Sale" or "Clearance" section of their store or on the website. While there are fewer expenses with this method, it can be a much slower process.

3RD PARTY BULK LIQUIDATION	IN-STORE CLEARANCE SALE
✅ FAST	❌ SLOW
✅ NO STORAGE EXPENSES	❌ HIGH STORAGE EXPENSES
❌ HIGH UPFRONT COSTS	✅ NO UPFRONT COSTS
❌ BRAND DILUTION	❌ BRAND DILUTION

Both of these common methods of moving inventory come with the downside of potential brand dilution. Visibility of a trusted brand in a deep discount retailer can impact the brand image with customers. On the other hand, "Sale" and "Clearance" pages can detract from the conspicuous consumption of luxury and premium brands, and in all cases, risk cannibalizing sales from the core product.
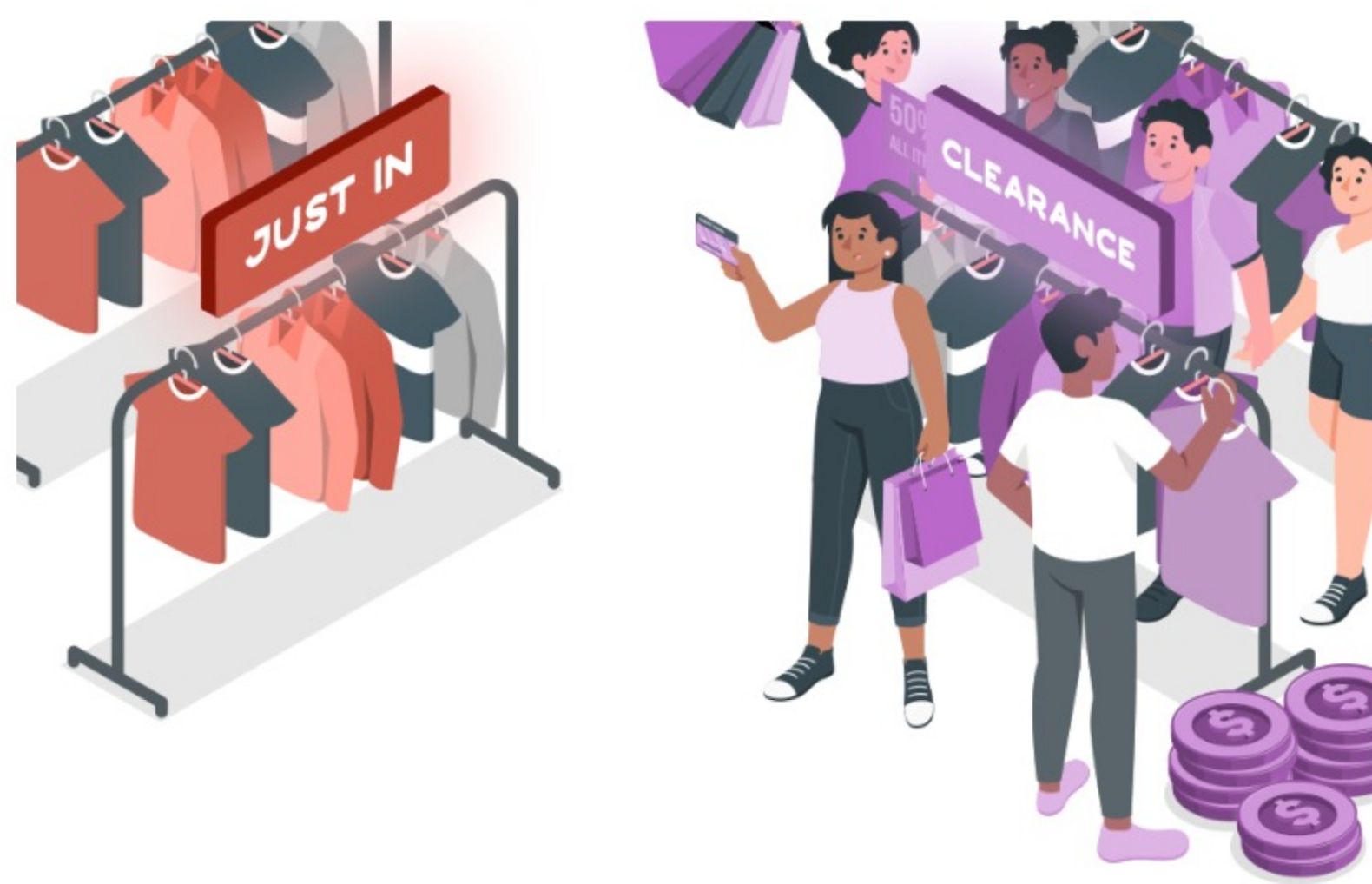

How Loss Leader protects brands

When retailers use the Loss Leader app, items are sold on tophatter.com, a daily closeout auction for customers who love a fun way to discover great brands. Tophatter requires that customers create a free account to see and shop these deals, meaning pricing is never indexed by search engines, and only the winning customer and other shoppers in the app at the time of the auction will ever see the selling price of a product. Deals are marketed daily to our customer base that includes around 30 million shoppers. In addition, similar to T.J. Maxx, Tophatter's advertising, both paid and organic, doesn't include brands or store's names.

Products sold through the Loss Leader app don't need to be visible on the seller's store's main Catalog. This way, a "Sale" page is not needed to provide a new sales channel for closeout goods. Shoppers come to Tophatter expecting to discover great deals on products they haven't seen elsewhere, leaving them open to discovering new brands, as opposed to seeking out discounts on those they are already familiar with.

Our confidence that our large, loyal user base empowers our sellers to quickly liquidate their inventory also brings down the chance of virality focused on pricing. Products move fast on Tophatter, and are likely to sell out before word spreads enough to tarnish the brand reputation of those selling on the site.

Loss Leader is far more likely to bring new customers to our sellers stores than it is to pull loyal shoppers away from them. Once logged into Tophatter, we ensure that shoppers know exactly who they are buying from, so if they appreciate one of their purchases, they can connect quickly to that seller's store. Due to the fast-paced auctions and quick liquidation, bidders who lose an auction on Tophatter may be inclined to seek out similar products on that seller's website directly.
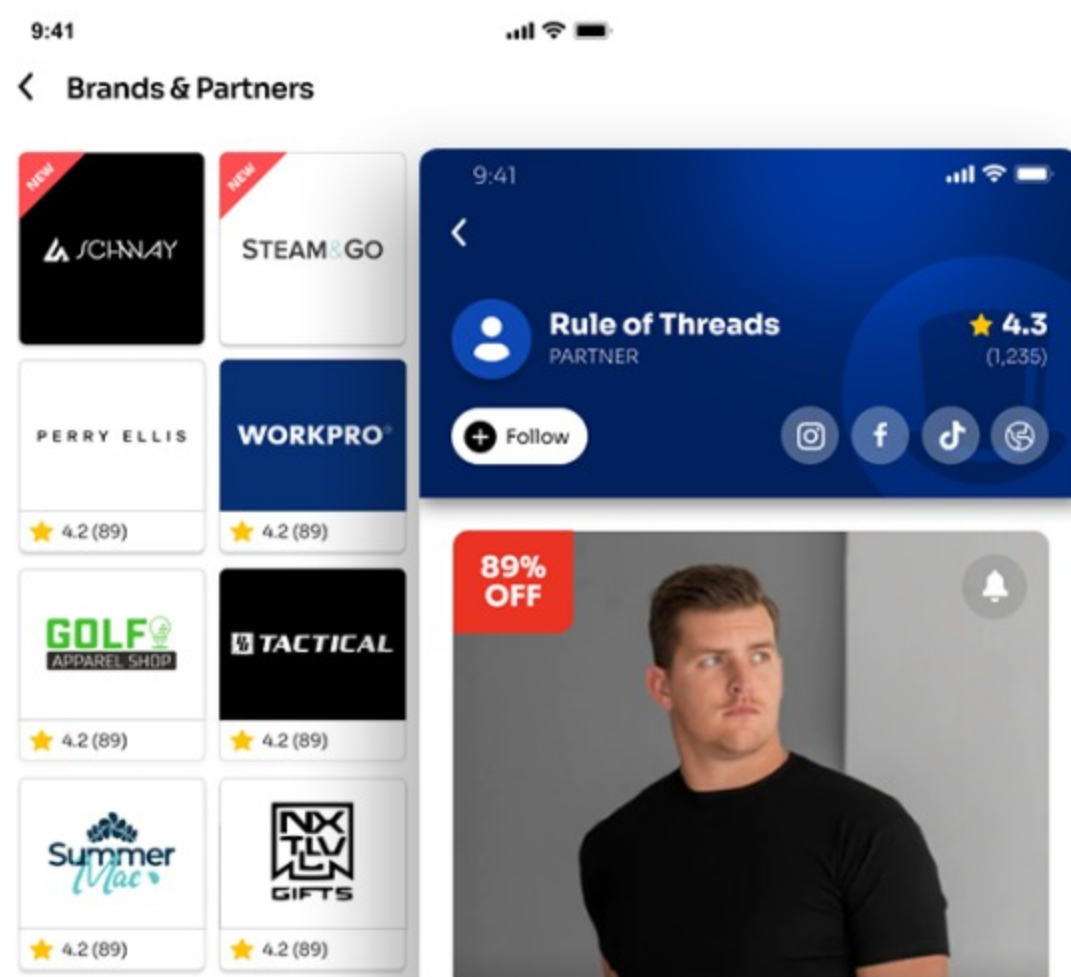
We don't advertise to our sellers' shoppers— we leave that to them. The Loss Leader checkout flow takes shoppers to the store for checkout, allowing sellers to capture that customer's information for their own marketing purposes. Because we almost exclusively market to our existing user base, we give sellers the chance to gain new, loyal customers using their own marketing strategies.

WE DID A COMPARISON WITH OUR GOOGLE SHOPPING ADS WHICH WORK REALLY WELL FOR US

YOUR SERVICE IS PERFORMING 50% BETTER FOR ABOUT THE SAME COST

PIERRE
DOLLAR FANATIC, LLC.

Written By: Aimee Valle

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Acquire new customers using excess inventory, not ad dollars.