

Fountainhead^{ME}

ECOMMERCE: CONSULTING + DEVELOPMENT

1100 Broadway, Santa Monica, CA 90401 (844) 691-1363

Case Study Client:

[REDACTED, A phone case manufacturer specializing in wood inlay phone cases]

Client Synopsis:

Client enrolled with FME on approximately 2/12/2018. For more than a year prior client suffered a month-over-month sales decline with a trajectory of heading to near 0 (save for spike during the holiday season). Client has a complex offering of approximately 700 products, with different sizes for various phone case models and then styles for each model.

Primary SOW:

Reverse downward failing trend of client's primary channel, Amazon. Reverse to upward trend.

Primary Product Link:[REDACTED]

Primary account type: Seller only.

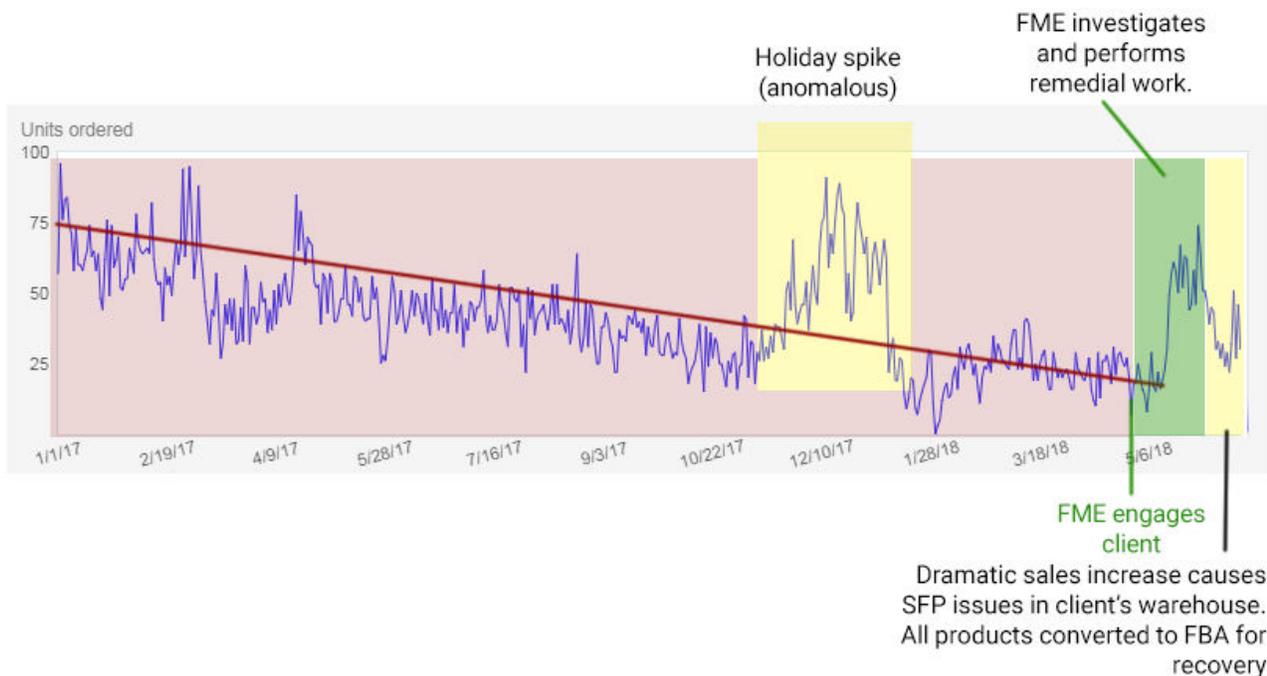
Primary Goals:

Determine reason for ongoing decline and failure. Client reported ongoing issues with FBM, but FME believed this to be anomalous to root of failure.

Challenges:

- Client's product offering was enormous making data analysis difficult.
- Client has blended inventory, 50% FBA and 50% SFP making analysis even more difficult.

Visual Performance Figure:



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Performance Metrics Summary:

Client's goal was mostly achieved within 45 days of engagement. FME determined the following problems were the root cause of the sustained decline for the year previous to engagement:

1. Products we not in variations. The product is highly artful and therefore subjective. Each product was showing by itself. FME supposed if a user looked at a single product that did not appeal to him, he would bounce to a competitor. **Solution:** FME grouped (created variations) of each phone model and included each design in this group. For example, every design for an iPhone 6 was displayed on one product page, same for iPhone 7, Samsung S8, and so on. This would give the user choice and allow them to stay within the clients listing to find a design they preferred.
2. Product pricing was too expensive and lacked a 1 penny reduction from a round dollar amount. (ie. \$29.99 instead of \$30.00). FME arbitrarily reduced each product by about \$5.01 to closely match pricing of competitors. This was a temporary and experimental maneuver to determine how much pricing impacts this product.
3. Product reviews were inconsistent. Some products were reviewed poorly, some reviewed very well, and others not reviewed at all. By variating the products, the reviews become averaged increasing poorly reviewed products and providing reviews to previously unreviewed products.
4. In the graph above, a decline is shown at the time this case study was created. The sharp increase in sales caused fulfillment issues on products fulfilled by seller (SFP). Amazon suspended SFP products but allowed the continued sales of FBA products which caused a decline. FME inform client that although this was frustrating, it would increase net profit. About 50% of sales were non-FBA and the cost per sale was significantly higher due to shipping rates. The client has since migrated the formerly SFP products into FBA.

Projections:

Continued positive rate of climb is imminent. However accurately projecting the rate is difficult due to the variables associated since fulfillment methods are being changed and point-of-diminishing-returns was not completed at the time this document was created.

Success Attribution:

FME completed several operations on client's products however variating products had the most dramatic effect which was then coupled with pricing changes. The success in variating products led to a significant performance increase on existing marketing campaigns which were then optimized. This provided a compounding growth effect to get the client selling better than he had previously.

Slated Operations:

FME plans to assist client in stabilizing the account converting 100% of products to FBA and completing the PDR testing.

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* Estimated figure

** Non-scientific quantity

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