

INCREASED SALES FOR LARGE/ OVERSIZED PRODUCTS

OVERVIEW

A leading manufacturer of hot tubs was looking at increasing their sales and presence on Amazon. Due to the size and weight of the hot tubs, they were using Direct Fulfillment as an Amazon Vendor. They were having issues with setting up products and as a result, sales for 2016 only amounted to 11 units.



OBSTACLES

- The client's Amazon listings were not optimized.
- The client was under-utilizing Amazon Marketing Services to promote their products.
- Once sales picked up, Amazon started lowering the cost of the products to levels that made it unprofitable for the client to manufacture. When Amazon determined that the cost of the product was too high, they would stop ordering the products. Since they were Direct Fulfillment, this meant that Amazon marked the listing as inactive, without notice. On top of that, Amazon did not provide a way to determine the highest cost they wanted in order to start selling the products again.
- In January of 2018, Amazon tried renegotiating the terms of the Co-Op agreement, increasing the Co-Op Accrual 9%.

SOLUTIONS

- Generating keywords and optimizing the listings was the first order of business. This included updating the titles, bullet points, descriptions and backend keywords of every listing.
- The client was trained on how to take high quality product and lifestyle images in their onsite photo studio. This helped to recreate an in-store buying experience for their customers.
- Advertising campaigns were put in place. We employed Sponsored Products, Headline Search ads (a Vendor-only program at that time) and Product Display ads.
- Once the basic listing optimization was done, A+ content and product videos were added to each of the listings.
- Awesome Dynamic worked with Amazon Vendor Support to get the affected listings back up on Amazon. While we were able to get some products selling again, there were many products that we had to remove for profitability reasons created by Amazon. We determined that creating new listings with a name change and a new UPC would allow the client to continue selling the same products at a profitable level.
- When Amazon asked for an increase in the Co-Op payment, Awesome Dynamic advised the client to wait before responding so some other tactics could be employed.

RESULTS

- While the setup took time, there were only 11 sales in the first six months of 2017, the subsequent optimization and additions to the listings later resulted in 314 sales for all of 2017, and 243 sales in the first six months of 2018.
- While there was a temporary decrease in sales while Awesome Dynamic worked out a solution to the profitability issues, once the new plan was put into action, the client's sales increased back to the levels from before the issue.
- Amazon sent a follow-up email and allowed the client to keep their Co-Op payments at the same level as before.

