

airisX Limited

Case Study #3

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Solution group	Business Services
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Project name or title	CONFIDENTIAL

Case Study for CONFIDENTIAL

Company profile

Client 3 is a US located nutritional supplements manufacturer that wanted to enter the Amazon marketplace to allow them to sell direct to consumers. The client has a large network of retail partners and a small website that outlines the client's products (no ecommerce). The company sells products globally via their retail partner stores as well as performing contract nutritional supplement formulation and development.

FURTHER DETAILS:

- Established brand name. Custom nutritional supplement formulation and development. Established in 1975.
- Revenues in 2016: \$45 million.
- Estimated ecommerce, and outsourced marketing, branding, and support budget for 2017: \$1,000,000.
- SKUs: 63

Business situation

Client 3 traditionally worked only with B2B partners, so was completely new to not just the Amazon platform, but to the specifics need for direct to consumer sales and on-line sales as well. They have a great reputation in the industry for making quality products but increased global competition has tightened their margins.

The client independently analyzed their options and decided a direct sales model would make sense, especially via Amazon's powerful marketplace platform, leveraging the power of FBA for quick and efficient operations. They additionally identified their lack of experience, and hence solicited airisX as the experts in the space.

Solution

airisX Limited, over multiple meetings and deep dive analyses was able to propose a launch, implementation and on-going managed services solution that the client accepted.

The key areas of value add were:

1. Launch and implementation plan for Amazon
 - a. Copyedit, market strategy, listings, etc (Marketplace Management)
 - b. Logistics and fulfillment plan

2. Marketing strategy: website and branding reinvention, social media, and online lead generation
3. CSR team for direct customer support

Based on these findings, airisX created a transition plan for the client and implemented the solution.

LAUNCH AND IMPLEMENTATION

Due to the Client's own established reputation, but faltering retail sales, airisX was asked to completely design a new direct to consumer model on Amazon UK and Amazon US and CA. Our expert Marketplace Management team works hand-in-hand with the client's Marketing, Customer Support, Sales and Account Management teams, offering guidance on the latest trends and implementing Amazon Platform specific solutions to increase sales and manage costs.

For the client, it was first necessary to build listing friendly product pages to convey the health benefits of the client's products with full specifications. All products required new marketplace listing friendly copy, graphics and other details. Our Marketplace Managers worked directly with their Marketing team to ensure the client's listings contained all relevant selling points and product features. AB testing was performed with each iteration to examine differences in conversion, leading to further optimization.

Logistics and Fulfillment

Due to the Client's wholesale sales model, their existing manufacturing/shipping centers were not appropriate for direct to consumer sales. Instead, airisX designed a method for the Amazon sales to fit into the company's existing processes by making the ecommerce department simply another wholesale client, with bulk orders placed and shipped as wholesale to Amazon's FBA centers.

This allowed the client to track their ecommerce sales and inventory separately from their manufacturing operations, and thus able to separately evaluate the success of the airisX solution versus company targets. The tools for examining performance didn't exist in the Client's business structure prior. Therefore airisX set-up the entirety of the new platform sales structure within the company's existing organization, specifically ecommerce inventory and revenue tracking software. Additionally, airisX assisted the client in several internal key hires to ensure the 2 companies had excellent cross company communications.

MARKETING AND BRANDING

As the Client was already a large successful brand, they had a full suite of marketing and collateral, but these were geared towards usage by their retail partners in physical print medium. The marketing team took this and the client's

website as a starting point, fully updating the branding and marketing copy to work both in the Amazon Marketplace and other digital mediums. The client had a large customer database due to warranty cards, existing mailing list sign-up and other collection methods, though it was sorely lacking due to the nature of the previous retail only model.

airisX implemented a full launch campaign for the client, inviting existing customers to explore the company's new listings on Amazon and upgrade their existing shopping models with Amazon's easy subscription process.

Digital Marketing

The client's managed Digital Marketing group is headed up by a strategist that outlines the current market and develops new and emergent strategies for implementation by the team.

Search for the client's products returned mostly retail outlets, including listings for non-approved sellers. airisX's Digital Marketing resources created a strategy to strengthen the corporate site listings (site authority), and the Amazon product listings instead. A full redesign of the client's website both modernized the look and feel, as well as prompts the user to interactively engage with the brand.

To drive traffic to their newly created listings, our Digital Marketing group created a multi-faceted campaign involving paid and non-paid lead generation. Listings were pushed to affiliate networks to promote the product through blogs and other content-driven means. Coupon and deal networks were engaged to drive traffic through promotions. Finally, PPC campaigns were run on- and off-platform through Facebook ads and Amazon Sponsored ads in order to increase the exposure of their offerings.

The client is unique in that they sell consumables, accepting lower margins on the initial sale carries little downside if it can be balanced with the long-term gains of repeat customers. Therefore, the client was willing to roll out a highly aggressive Digital Marketing plan, executed completely by airisX's experts

OUTSOURCED CUSTOMER SUPPORT

The client had a surprisingly sparse customer support team to engage with their customers, perhaps a testament to the quality of their product, and thus engaged airisX to provide this service alongside our other solutions rather than build up the team from the beginning internally. The airisX implementation team created the entirety of the client's support process based on industry best practices and airisX's deep experience. As well, our team utilized the client's existing documentation and responses to create an original set of support templates, then built upon that during on-going support to build a comprehensive solution. Since this was a new process, time and staffing were developed to smartly ramp up resources along with sales and revenue of the new solution.

Our teams implemented a full support back-end system, allowing for end-to-end tracking and metrics of support requests. Upon a new support request, a ticket is opened within airisX's system, allowing for tracking of all issues, including time to respond, volume, customer support ratings, escalated issues and much more. The system is able to handle multiple levels of escalation, to internal support managers, the account management team and all the way to client internal structure. This ensures all issues are handled optimally within 24 hours and resolved to the best ability of the organization.

Benefits

Client 3 has realized significant gains in their business by using airisX. By using airisX as the implementer and integrator of their new ecommerce business, they have already begun to claw back the declining revenue seen over the last decade of relying on only physical retail solutions. In the first quarter of business operations, the client saw initial sales of over \$1M (10% of all sales), with increasing revenue and returns seen monthly. eCommerce sales via Amazon are expected to match current levels of sales within just 24 months. Based on these findings, client is looking to phase out many of their wholesale clients other than the very largest in favor of their new business line.

airisX was able to successfully work with the C-suite of a mature and established manufacturing business to obtain buy-in from key stakeholders, transitioning the business from traditional forms of retail into modern internet enabled ones. Buy-in was successful and the business has now changed course to embrace new forms of engagement with customers.

Products and services used:

DETAILS:

- Launch and Implementation Team, Business Process Design and on-going Account Management.
- Managed Customer Support Manager and dedicated team.
- Proprietary internal support tracking system.
- Digital Marketing Manager and shared team.
- Dedicated Marketplace Manager
- *No third-party products or services used for the solution.*

Services provided by other groups or companies:

No third-party products or services used for the solution.