

## Case Study: Supplements

# Stability Leads to Growth

### The Challenge:

Brand X had been gradually losing market share as diversion was creating price disparities and driving consumers to unauthorized sellers on Amazon with lower price points. Recom's challenge was to stabilize pricing and grow sales aggressively on Amazon while supporting the retail stores so that Brand X could regain market share.

**\$50M+**

annual run rate  
in Amazon sales

**10%+**

increase in YoY  
brand sales

**90%+**

average buy box  
ownership

**100%+**

in-stock  
rates

### Catalog Clean-up

At the commencement of the partnership, Brand X had 485 unique UPCs with a total of 3,273 ASINs. The foundational basis of Recom's optimization processes begins with analyzing the catalog and understanding the best product set to optimize the customer's purchasing experience. Through detailed data analytics, we initially reduced the catalog by over 82% to 589 ASINs by deleting listings for discontinued products and merging duplicative listings created by unauthorized resellers. With new product innovations, exclusive Amazon sizes, and bundling opportunities, Brand X's catalog currently has 762 ASINs.

### Creative Re-positioning

With e-commerce growth as a top priority, Brand X began a content overhaul that would re-energize the brand's digital presence. Recom worked closely with Brand X's creative team to redefine and optimize the brand's assets on Amazon, establishing a look and feel that brings consistency to the brand's omni-channel customer experience.

Between Q1 and Q2 2020, there was an 11% increase in the number of ASINs that were given the top rating for content with up to a 16% increase in conversion rate between the lowest to highest ratings.

## Marketplace Control

In wide distribution, Brand X suffered from significant diversion resulting in pricing instability, weakening brick & mortar relationships and long-term brand equity erosion. Prior to Recom establishing an enforcement program, Brand X had 91 unauthorized sellers across the catalog. Through real-time monitoring and data trend analyses in partnership with Brand X we have maintained control on the market by successfully enforcing upon 395 unique unauthorized sellers and have an average buy box percentage of 90%+.

## Advertising

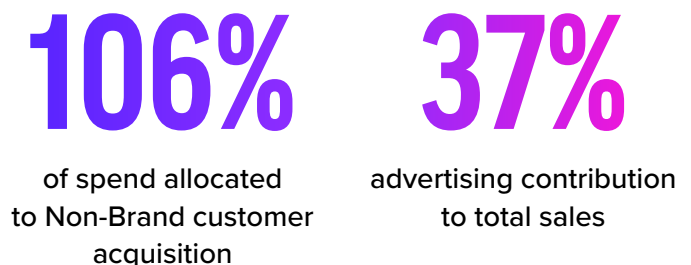
Following the overhaul of the brand's creative content, Recom implemented a fresh Amazon advertising strategy to drive top line sales and establish Brand X as a household name. Leveraging both marketplace expertise and partner insights, our advertising team developed an Amazon-specific media plan that maximized the brand's omnichannel marketing efforts as well as accounted for variables like seasonality. Thanks to weekly performance meetings, on-demand reporting, and proprietary, category-specific data, we were able to test and iterate on campaign strategies while ultimately driving primary KPIs like cost per click, conversion rates, and average price points for top selling ASINs.

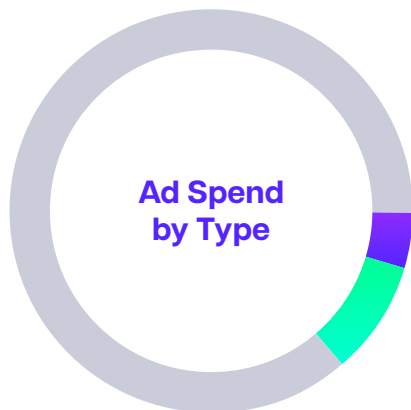
## Advertising Performance KPIs

	ROAS	Non-Branded ROAS	Branded ROAS	Ad-Attributed Orders	New to Brand Orders	Customer Acq. Cost	YoV ROAS
Q1 20	\$2.03	\$1.39	\$3.12	11,672	6,575	\$11.19	\$3.38
Q1 21	\$2.14	\$1.79	\$12.18	180,484	159,480	\$9.13	\$6.42
YoY%	5%	29%	290%	1446%	2326%	-18%	90%

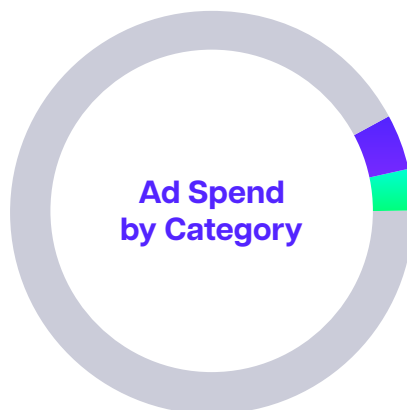
## Advertising Spend

With Brand X focused on sustainable, profitable growth on Amazon in an effort to achieve the organization-wide goal of increased household penetration, 92% of all media spend went towards non-brand customer acquisition. With ROAS target KPIs being first-purchase profitable, Recom acquired over 140,000 new-to-brand orders over Q1 2021.





● Sponsored Products	86%
● Sponsored Brand	8.9%
● DSP	4.37%
● Sponsored Display	0.05%



● Non-Branded	92.4%
● DSP	4.37%
● Branded	3.26%
● Unlabeled	0.05%



● Non-Branded	\$11	54.4%
● DSP	\$5.42	26.8%
● Branded	\$3.78	18.7%

## Advertising Ad Allocations

86% of spend was allocated to Sponsored Products to ensure we owned a healthy portion of the share of shelf against competitors. 8.9% of spend went towards Sponsored Brands on large category searches to begin awareness building and create cross-selling opportunities across other Brand X products. Lastly, we leveraged 4.37% of spend on DSP to focus on non-purchase retargeting to bring new-to-brand browsers back and convert them to products they showed interest in.

## Supply Chain Optimization

Recom has maintained 100% in stock rates through the pandemic by working closely with Brand X's team in demand forecasting, monitoring the entire supply chain lead time, and managing key promotion dates on- and off-platform.