

SUCCESS STORY

luzern

Iconic household Beverage Brand, broadens its range, trials new products & launches innovative product bundles via 3P that dramatically boost sales, whilst protecting its existing 1P product availability and sales volumes on the channel.

Hybrid 1P/3P strategy Key Results

100%

Reduction
in Stock Outs

27%

Increase in Sales
Revenue

30%

Average Increase
in Margin

100%

SKU Coverage

35%

Increase in Market
Coverage

Background

The Brands existing 1P Amazon strategy was working, however the long term impact to overall business goals wasn't as expected. While they leveraged Amazon's high traffic volumes to reach new buyers and grow sales, they were finding it increasingly difficult to manage their presence on the channel. Amazon is typically selective about the SKUs they carry, ensuring they sell the most profitable. That led to reduced or no orders of certain ranges. No stock availability means no sales. In short, the brand was unable to meet customer demand.



Key Challenges

- ▶ Stock outs – Amazon was not purchasing adequate inventory across all SKUs, so certain ranges were sometimes out of stock on Amazon
- ▶ No New Product Launches – Lack of previous sales data available to Amazon so deemed too risky
- ▶ Lost control over pricing on certain ranges causing channel conflict

Luzern Solution

Luzern worked with the brand to introduce a new way of working with Amazon. Luzern was deployed as its 3rd party Vendor (3P/Amazon Marketplace Seller) enabling Luzern to sell on the brand's behalf.

We worked with them to understand their business objectives and expectations around their Brand, their product range and their online sales goals.

A key part of this was to understand their assortment strategy, what they currently sell to Amazon and assessing where a different approach could support the brand, it's pricing strategy and ultimately how they could drive more online conversions.

Through a combination of expertise assessment and the Luzern algorithmic platform, we were able to gain back control of pricing to ensure it adhered to their desired pricing strategy and very quickly turned around their dropping sales numbers.



Business Outcomes

1

All product ranges available to customers at all times – Zero Stock outs achieved through using Luzern's Stock Forecasting and Planning.

2

Luzern created the virtual bundles that the customer loved

3

Doubled sales volumes on certain SKUs

4

Massive increase in sales of new ranges – The ability to broaden the product ranges resulted a surge in online sales, with some seeing increases of up to 60%

5

Full catalogue management – All products listed & optimised by experts

luzern

For more information contact
hello@luzern.co