

Innovation that Drives Profitability for Household Stationery Brand

Global CPG Manufacturer (Stationery) with low Average Selling Price introduces new and unique multi-packs, increases margins and drives sales profitably online with Luzern's Insight to Action platform & expert go-to-market strategy.

Background

A household name in essential stationery products was struggling to sell its Products online in Europe due to the low ASP (Average Selling Price).

The brand needed to gain control over its product lines on European Marketplaces, generate a new channel to market and deliver more cost-effective product offerings as its ASP proved too low to realise sustained profitability.

Luzern helped them gain better control of their Brand presence, introduce new and unique multi-packs, increase margins, and increase its footprint across 6 new markets.

Luzern Solution

Luzern worked with the Brand to understand its business objectives, product range and online sales goals. A key part of this was to understand their assortment strategy, what they currently sell on Marketplaces and assess where a different approach could support the brand, its pricing strategy and ultimately drive more online conversions. The initial assessment Identified over 100 of its products which are being sold elsewhere on Amazon.

Key Results

- ➔ **Profits increased by 25%:** The children's bundle alone resulted in an **increase in sales of over 200%**
- ➔ **Grew Amazon Portfolio by 22%:** For products that Amazon deemed unprofitable to be sold via 1P (selling directly to Amazon to sell on its platform), Luzern introduced a new route to the Amazon marketplace using a 3P strategy, and ensured these products were listed and available to buy on Amazon
- ➔ **6 New Market places added in 6 Different Countries**

Challenges

- ➔ Competing in a crowded category
- ➔ Struggling to expand global footprint
- ➔ Pricing causing channel conflict for other retail partners
- ➔ Low Average Selling Price on existing SKUs resulting in Margin pressure
- ➔ Amazon deemed many products not profitable enough to be sold on its platform

Luzern designed a strategy to launch new products that offer greater value-added bundles and multi-pack listings based on buyer preference insights from its "Insight-to-Action" platform.

Based on Luzern's findings, 20 New Bundles were created targeting back to School and University customers. Exclusive children's co-branded multi-product packs were launched. New innovative Bundles with another complementary Brand Luzern work with were also developed and launched successfully.

- ➔ **20% Higher Click-Thru Rate:** Luzern's expert performance marketing & advertising team created enhanced Ad campaigns and effective product listings that increased the Brand's visibility, entice new buyers and increased conversions that quickly returned a profit
- ➔ **Based on Luzern insights, successfully launched 20 New Bundles targeting Back to School & Universities:** By working with Luzern, the brand introduced the best mix of product SKUs with exclusive bundles and multi-buy promotions that delivered an increased AOV (Average Order Value) with higher margins as well as met and exceed its customers' expectations