

A photograph of two women in a creative studio. One woman with glasses and a dark shirt is leaning over a desk, pointing at a laptop screen. The other woman with short blonde hair and tattoos is sitting at the desk, looking at the screen. The studio is filled with various items like books, a clock, and a mannequin.

The 2020 Playbook for Fashion Brands on Amazon

| Addressing the Challenges of
Fashion Brands Selling on Amazon

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About Orca Pacific

Orca Pacific is a modern full-service agency dedicated to growing brands on Amazon. The team of former Amazonians and eCommerce experts optimize every stage of the Amazon customer journey, from SEO and Advertising to Content Optimization and Strategic Consulting. After a decade working in Amazon's own backyard, Orca Pacific has become the premiere partner for all Vendors and Sellers looking to thrive on Amazon.

To learn more about Orca Pacific, please visit our website: orcapac.com/company

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Amazon is a beast. So we take pride in our ability to share our expertise through accessible written and video content. If you would like to stay in the loop and see more great content like this, please follow us on LinkedIn.

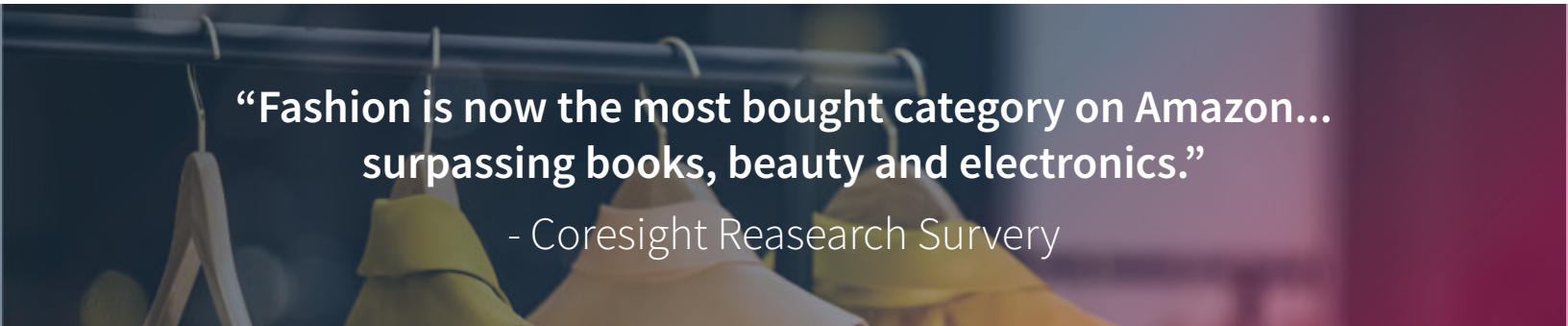
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Why Fashion Brands Struggle to Sell on Amazon

How Seasonality, Product Onboarding, and Inventory Issues Can Become Obstacles to Growth on the Platform

Amazon has emerged as the largest online fashion retailer in the United States after quietly surpassing Macy's and Walmart in 2017. Since then, the fashion category has continued to surge. However, as fashion and apparel brands pursue this sizable opportunity on Amazon, most are encountering several new challenges specific to their category. These obstacles can range from inconvenient to utterly catastrophic for their business. After studying these challenges first-hand, our team broke down today's landscape for fashion brands on Amazon into the three main roadblocks.



“Fashion is now the most bought category on Amazon... surpassing books, beauty and electronics.”

- Coresight Research Survey

1. Seasonality and Product Relevance

Visibility on Amazon is setup to favor products with sales momentum and established indicators of success like high reviews and ratings. Building this relevance for any product is a necessary step to drive sales and, for vendors, to encourage purchase orders. For most products on Amazon, the path to relevance follows a predictable arc. First, the product is onboarded, then it gains traction over time, and finally the product reaches its peak point of relevance months or years after its initial listing. Most fashion products, on the other hand, are unsuited for this arc. Due to seasonality, they reach their peak of relevance immediately and lose it when a season or trend expires. This presents a troublesome challenge for fashion brands on Amazon who lack the ability to establish product traction before their products lose relevance capability.

2. Product Onboarding

Most vendors in the fashion category once had direct access to a Vendor Manager from Amazon. This individual would be in constant contact to help onboard products and cut purchase orders. Then in 2017, Amazon restructured their approach to the fashion category, restricting access to Vendor Managers to strategic brands based on quantity of sales and ubiquity of brand presence. Left to implement a more self-service approach, non-strategic brands saw the average time for product onboarding dive from 1-3 months to upwards of 9 months. The change was devastating to many in the category who already struggled to build momentum for their seasonal products. Without a clear buyer, some brands even struggle to get their products listed at all.

3. Holding Inventory

Whereas brick-and-mortar retail stores purchase a set amount of fashion product for a season, Amazon orders product based on perceived demand. With an extended onboarding process and stifled ordering, non-strategic fashion vendors are often forced to hold onto product inventory despite being unequipped with proper facilities or operational preparation. While they wait for their products to gain traction and necessitate purchase orders, brands lose out on profits and are stuck selling off remaining inventory just to avoid tremendous losses. As the risk increases, some brands have elected to abandon the platform altogether, missing out on the entire market.



How Fashion Brands Can Succeed on Amazon

7 Strategies for Overcoming the Challenges of Selling Fashion on Amazon

By approaching each challenge with an open mind, fashion brands can not only weather the difficult terrain on Amazon, but truly excel on the platform. With a holistic Amazon strategy that is sensitive to the nuances involved with the fashion category, flexible brands can adjust their approaches and position themselves toward success. We have over 10 years of experience working with fashion brands to build and implement these strategies. Now, we've reduced them down to the seven key elements to any successful strategy for fashion on Amazon.

1. Develop Your Evergreen Products

The incongruence between Amazon's demand-led ordering and traditional seasonal ordering done by brick-and-mortar retailers has generated an operational rift for many fashion brands. What had long informed the way that fashion brands develop, manufacture, and sell their products has become largely obsolete in the online retail space. To establish their success online, brands need to exhibit conceptual and operational flexibility in how they view seasonal products. Rather than constantly discontinuing or deprioritizing products and never gaining traction, brands must establish evergreen products which drive demand on Amazon year-round. By following the standard arc of relevance, evergreen products can build up traffic and drive halo sales for the non-evergreen products which would otherwise miss out.

Fortunately for fashion brands, evergreen products need not be limited to products traditionally considered non-seasonal. Amazon's platform, and online retail in general, revolves around the expectation that consumers can purchase any product at any time, regardless of the season. Because Amazon lacks traditional retail seasons, demand for seasonal products can, in most cases, remain substantial throughout the year. In other words, brands do not need to design a new line of non-seasonal products just to have success on Amazon. Instead, they can focus on any product that drives demand and implement strategies to establish it as a strong evergreen product.

2. Fashion-Forward Advertising

Advertising is a crucial piece to any strategy on Amazon. The key for fashion brands is to develop a strategy that focuses on category-specific needs. For instance, rather than running advertisements featuring a multitude of products, fashion brands should build campaigns exclusively around evergreen items. Increased traffic to these products boosts halo sales (those from other products within the catalog) and allows brands the freedom to switch out their other offerings while maintaining a long-term advertising strategy.

Fashion brands should also pursue advertising strategies that help them solve other issues like inventory surplus.

Take our client, Reebok, for example, who was facing an had excess inventory in certain line of sports apparel. Rather than simply running a promotion on the overstocked products, we used re-targeting through Amazon DSP to put those promotions in front of an audience who were at one time considering the mentioned product or searching for one similar. The campaign allowed Reebok to sell through their inventory and even garnered positive effects across their catalog.

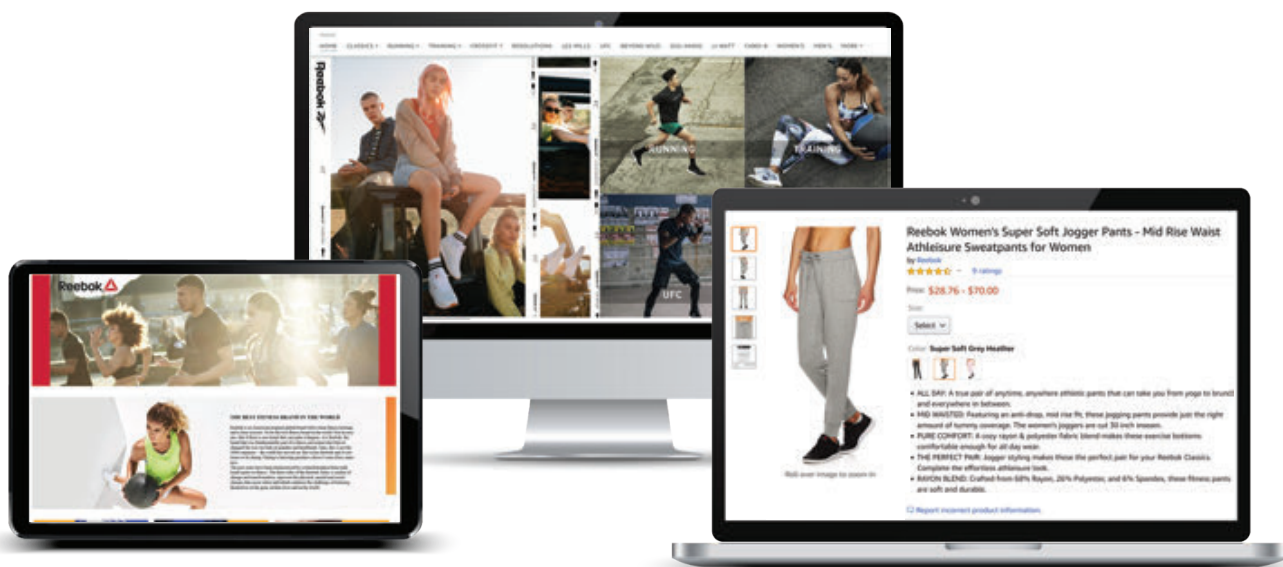


3. Utilizing Direct Fulfillment

Amazon's Dropship program allows vendors to ship their own inventory directly to consumers, skipping over the Amazon warehouses. This program provides an option for brands who are currently stuck waiting for Amazon to cut purchase orders. Instead, vendors fulfill orders as they are purchased and maintain the "shipped by Amazon" label. Since Amazon orders product based on demand, fulfilling products via dropship provides brands with an avenue to gain traction and build demand until Amazon brings the products into their warehouses. Though dropship works well for items that are not currently brought in by Amazon, it also functions as a back-up form of fulfillment to ensure that products never go out of stock. This is essential for evergreen products and other products which are actively building momentum.

4. SEO and Content Optimization

Since there are no salespeople in online retail, brands must rely on keyword optimization to get their products in front of customers and content to provide valuable information and drive sales. This is especially true for aesthetic categories like fashion which feature products that are typically handled by customers prior to purchase. With thousands of competing products available within a few clicks, having compelling content optimized for search is a necessity. But building that content for products which are listed and then discontinued briefly after is difficult to justify. That's where evergreen products can help.



Since evergreen products remain listed over time, brands can invest in outfitting the listings with attractive content and strategic keywords. Product titles should include the brand name, product name, primary feature and variation information. Product descriptions should include high-converting keywords while calling out benefits and features. And product images should be high quality and follow Amazon photo quality guidelines. Accompanying this content should be enhanced (A+) content which performs the important roles of informing customers and demonstrating features. Enhanced content can also be used to link to other non-evergreen products as a method of increasing halo sales.

Beyond the detail page, an informative and visually-compelling brand store encourages those who come across a brand to purchase other products from that brand's catalog. With the capability to include both image and video content, brands should focus on developing a strong branding message that enhances the customer experience and sets products apart from others on the platform.

5. Monitoring Resale Pricing as a Vendor

Fashion, like most categories on Amazon, is swamped with resellers. To ensure that reseller pricing does not undercut sales, fashion vendors need to exhibit strict channel management along with MAP and reseller policies across all channels. If a brand has multiple resellers, contracts should specifically state whether they are allowed to resell on Amazon (either indirectly or directly) and at what price. Far too often brands will over-distribute and lose control of where and how resellers can sell their product.

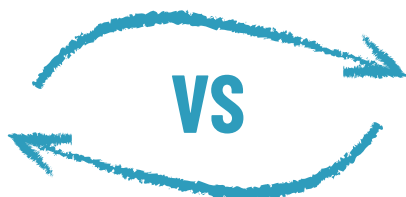
Unfortunately Amazon reserves the right to price independently with 1P vendors, which means that they can mark product down at whatever price they deem necessary to rid themselves of the inventory liability in their warehouses. If a vendor does not have MAP strict rules in place at Amazon, the only thing a brand can do is request an RTV (Return to Vendor) of the goods immediately to ensure that the low pricing does not continue.

6. Considering a 3rd Party Approach

Many fashion brands feel stuck as 1st party Vendors on Amazon. However, for select brands, transitioning to a 3P or hybrid approach is both possible and worthwhile. Though selling 3rd party or hybrid can have its own challenges, it can also address a number of issues related to product relevance, onboarding, ordering, and inventory.

Rather than waiting for Amazon to cut purchase orders, 3P brands can expedite the onboarding process by listing their own products and driving advertising toward those listings. Through the Direct Fulfillment program, brands can then ship those products directly to consumers. For hybrid brands, this typically cuts Amazon ordering time in half.

Another advantage of pursuing a 3P strategy is price control. Whereas Amazon follows market prices without regard to MAP policy when dealing with 1P vendors, 3P sellers can set a default price to which Amazon will never drop below. This allows brands to ensure that Amazon pricing doesn't drop when resellers decide to sell their inventory for less.





7. Finding a Partner

Amazon is fundamentally changing the way that fashion brands do business. Consumers are increasingly expecting the convenience of an online shopping experience where any and all products can be purchased with a click and delivered within days, regardless of seasonality. For fashion brands to stay on the profitable side of these changes, they need to know which levers to pull and when to pull them. That's where Orca Pacific can help. With over a decade of experience helping industry-leading fashion brands develop and implement holistic strategies, the team at Orca Pacific can provide the expertise and guidance fashion brands need to excel on the Amazon platform.

- ✓ **Located in Amazon's Backyard**
- ✓ **12+ Years Mastering the Amazon Platform**
- ✓ **Team of 50+ Former Amazonians and Industry Leaders**
- ✓ **Carbon Technology (Retail and Advertising Dashboard)**
- ✓ **Over 100 Clients and \$1 Billion in Managed Sales**