# TOUS Use Case







brand in the US marketplace environment



## **About TOUS**

#### **TOUS**

A Spanish jewelry company founded in 1920, is one of the biggest global jewelry brands. Present in 56 countries with more than 700 retail stores, it generated €466M in revenue in 2018. The core aspect of its business is jewelry (accounting for nearly 73% of sales), while also offering other products like handbags, watches, perfumes, and eyewear.

Internationalization, digital transformation and an omni-channel drive have been integral to its consistent growth.

Tapping into new markets has been a key focus, and now over half of its brick-and-mortar presence is located outside of Spain. Online sales and marketplaces are major opportunities, and the company has been blending this into its growth strategy by establishing an online presence in 19 markets.

#### **TOUS** in the US

TOUS is in its early stages in the US market and is not a household name like it is in Spain or Mexico. Already having 31 stores & official distributors across the country and the tous.com website, there is huge potential for growth in this market, particularly in marketplaces. Existing partners and distributors have had success in online marketplaces, but it is not something that TOUS has been directly involved in as much as they would have liked.

#### **Sources:**

https://www.tous.com/us-en/about/cifras

https://www.tous.com/us-en/about/world

https://ww.fashionnetwork.com/news/Spanish-jewellery-brand-tous-generates-sales-for-466-million-tops-700-store-mark-in-2018,1093333.html



# What's the Challenge?

It's all about the Marketplaces...

Although TOUS has been present in the U.S. for several years and their products are sold in-store and online through their website, they would like to have a formal presence in the different online marketplaces. This is an opportunity for massive sales growth.

TOUS needs a partner that can help them set up, manage and optimize their online marketplaces in the US, with the overall goal of increasing total sales volume and revenue.

Additionally, they need assistance navigating the competitive landscape in the US market, where other brands like Pandora, Kay Jewelers, Michael Kors, Kendra Scott, and Ross-Simons are more popular.

# And the Challenge for t2ó?

Taking ownership of the channel and working as an extension of TOUS

## **Beyond Marketing**

Since TOUS needs someone to "explore new waters" for them, t2ó needs to work as part of the TOUS team, and work along with them towards the same goals. This means understanding the big picture, devising and evaluating strategy, maintaining the relationship with vendors, managing inventory, analyzing the customer experience, and consulting on all the other parts of the business that are intertwined and impact the bottom line.

Simply put, t2ó needs to run the entire US marketplace channel along with TOUS as a partner.



# **Jewelry Category Challenges**

01

### Marketplace environment:

The competition can be tough. Going up against titans in the jewelry industry and in their own territory is not easy, nor is it cheap in a fully developed market. It can take a lot of time and money to convince undecided buyers to choose your brand, and even more from those with an existing preference for established brands.

02

## Amazon marketplace platform:

The amount of paperwork and legwork required to obtain an approval to sell jewelry in Amazon is greater than most categories. Product listings must comply with specific FTC guidelines for the jewelry category.

03

### Logistics:

Inventory management has a direct impact on sales forecasting and media planning. It's complicated to do these without historical data.

## The Ask

Sell on Amazon and other online marketplaces in the USA

## Client's objective:

Generate sales and revenue growth while focusing on efficiency

- → Diversify existing sales channels in the US market
- → Position TOUS as a top jewelry brand in the Amazon marketplace
- → Increase Brand Awareness across audience segments
- → Keep TOUS' image intact always with a luxury brand approach
- → Positive return on investment (ROI)



# Our vision

Own the channel and provide a 360° approach to consulting

To become the partner that TOUS needs, we have to act as an extension of their business, and develop and execute a strategy focused on:

- Performance
- Logistics
- Support
- Technology
- Media Mix





# The Strategy

How do we take advantage of the opportunity that US Online Marketplaces present for retail brands? How do we get a piece of that pie?

## Set up shop

We have to become accessible to the existing audience looking for TOUS in marketplaces. Let them find you by having a presence in the largest marketplace in the US. Organic growth takes time, so we must start ASAP.

## Connect, convert, and grow

Increase awareness of the brand and focus on bringing in more product views and more traffic to the storefront. Messaging must be cohesive across all channels so it's more effective as a whole.

Once views and traffic are up, we shift the focus to increasing sales by ensuring a positive Customer Experience. Happy customers = Returning customers = Promoters

Identify the winning formula (audience, product, channels, etc.) likelier to result in a purchase and focus our resources on it. Scale up that formula wherever else possible.

## **Expand**

Identify other Marketplaces where we can repeat the entire process with high efficiency.

## The To-Do List

The tasks to be completed to execute the global strategy

#### Phase 1 – Set Up Shop

- Launch Products on Amazon organize the inventory database to load hundreds of SKUs into the platform using Channel Advisor
- Optimize Content make it "Amazon-friendly" and compliant with FTC guidelines
- **Competitive Analysis** understand the competitive landscape, including existing partners/distributors that are selling TOUS products in Amazon. Who are they? What are they selling? Pricing strategy?
- Advertising Plan & Budget consider seasonalities, sales campaigns, and revenue goals. What message/products will we push? When? Channels?

#### Phase 2 – Connect, Convert, & Grow

- Initiate Advertising on-platform and off-platform through Amazon Advertising (Sponsored Products, Sponsored Brands, and their DSP)
- Improve CX creation of an Amazon Storefront, A+ branded content, parent/child relationships; make the shoppers experience easy. Messaging on the marketplace should reflect the same messaging on the website and retail stores
- Ongoing Optimization continuous cycle of evaluating sales and advertising performance (down to the SKU level) and adjusting as needed to maximize efficiency and Advertising Cost of Sales (ACOS)

#### Phase 3 – Expand

- Internationalization expand Amazon sales to other countries like Mexico & Canada
- Secondary Marketplaces in what other marketplaces could we sell? Think Walmart, Belk, Jet, Target, etc.
- Establish Relationships with Online Retailers work with Kohl's, Macy's, Wayfair, Nordstrom, JcPenney, etc. Dropshipping or wholesale

## The Process

01

Brand Awareness: We understood that TOUS was a new brand in the US Amazon Marketplace, so the short-term objective was to raise awareness, while ROI was in the mid-term plan. With the completion of the TOUS storefront, Sponsored Product and Sponsored Brand campaigns were activated in efforts to drive traffic to the corresponding jewelry and handbag landing pages. Sponsored Brand campaigns allowed us to increase TOUS' brand awareness for users showing interest in brand, competitor and generic search intent keywords, and Sponsored Products allowed us to identify how individual products were searched for and how they performed against the competition in the Amazon Marketplace.

02

**Data Collection & Optimization:** The volume of 1st party data collected by our prospecting efforts allowed us to acquire actionable insights to help improve the storefront and the restructuring of campaigns. The data collected has allowed us to put in place strategical profitable approaches that focus on product optimization, which include A+ content, identifying best sellers and high traffic products. Storefront updates consequently rely on visitor and conversion rate insights, and also reflect product insights that help with the ongoing optimizations of landing pages. In efforts to continue to grow the brand presence during a ROI driven objective a 360 approach in advertising was activated through the Amazon DSP, where prospecting relies on Amazon's 3rd party data as well as 1st party data collected from product insights. Display ads running on the DSP has given us a better understanding to the type of creative messaging a user is interacting with, thus helping us optimize how the brand resonates with potential customers. This 360 approach constantly gives us actionable insights were we are able to set up a conversion driven approach, and has deemed effective showing positive ROI results since Q4 19'.

03

Customer Retention & Brand Loyalty: The DSPs capabilities have allowed us to create audiences collected from our product views and overall storefront user activity. The creation of audiences allows the brand to continue to deliver messaging to in-market users and loyal customers. To keep the brand top of mind users are shown upcoming promotions, newly added products, and discount alerts, which is a great way to boost store traffic, consideration and purchases. As the brand continues to be active in the Amazon Marketplace more data is collected to efficiently create strategies that revolve around user's activity with the brand, while increasing brand exposure and recognition within their product category.

# Innovation Through Tech

The Amazon platform, especially its advertising services, is fairly new when compared to other platforms, like Google Marketing Platform for example.

This means it's continuously evolving, and at times requires the use of third party tools to supplement some of its capabilities. By maintaining close relationships with vendors and partners, including Amazon, t2ó obtained access to beta services and additional tools.

As a result, In 2019 t2ó became one of the first agencies in the US to be officially certified by Amazon in its advertising services and platform.

It's a never-ending goal to simplify, automate, and optimize.



The place to be for e-commerce.

The #1 marketplace in the US,
comprising more than a third of all
e-commerce sales in the nation
(over \$220B in 2019).



#1 Channel Management Vendor to the IR Top 1000

Channel Advisor: #1 marketplace management provider to the Internet Retailer Top 1000.

Leading e-commerce platform, packed with features to help with marketing activities, selling and fulfilling along the entire buyer's journey.



Helped us visualize Amazon data through highly configurable charts and tables. Allowing us to keep track of KPIs and share our insights with Tous.

# amazonadvertising

Amazon's advertising platform helped us increase visibility of our products in the marketplace as well as other Amazon web properties and external sites, accelerating sales growth.



Smart optimization tools to help improve performance and efficiency in Amazon Advertising campaigns.

## The results

We launched TOUS in the US Amazon Marketplace in March 2019 and obtained the following results:

- Created a complete customer journey. From increasing brand awareness to brand advocacy. Shifting from a Sales Growth Strategy to a Profit Strategy, where Advertising Cost of Sales (ACoS) became the main metric. We improved our yearly ACos by 34% (2019 vs 2020)
- Positive brand equity: Knowing our audience and working directly with Amazon to create and protect the trust and loyalty of our customer base. By the end of the year this led us to a steady increase in sales, customers generating positive reviews and advocacy for TOUS products. 95% of our products listing are reviewed as excellent by our Amazon customers
- **Find the right target audience:** Prime members are super users in the ecommerce world so we needed to be niche-focused and find the right audience target: +70% of the current purchasers are of Hispanic origin and already know the TOUS brand. Based on our analysis we developed a full audience strategy adapting the language, storefront, listings, product selection and overall marketing efforts
- Increased unique buyers by an average of 44% every quarter in 2019. The Amazon storefront and advertising creatives were designed to provide consistent messaging and a seamless transition across all channels. This, along with TOUS' unique story, helped to build the brand's familiarity, enabling it to stand out from competitors, capture new audiences every month, and help people discover TOUS' entire product portfolio. More and more shoppers are looking for TOUS by name
- Won the Buy-Box in +98% of our Jewelry listings: Around 78% of Amazon sales are made through the buy box, so it is crucial to be the seller with the Buy-Box to get the sale. We had to become "buy-box" experts to understand all the factors at play (not just price) and fully optimize all the listings
- Developing a seasonal sale forecast, planning marketing activities and use an inventory turnover ratio: we planned around the big sales events throughout the year, helping us prepare schedules, budgets, inventory, and marketing campaigns, all geared towards enhancing the customer buying experience and encouraging them to buy more. During peak period like Black Friday or Christmas, we obtained up to 50% more sales than forecasted
- Maintained inventory at less than 15% of slow-moving products. Inventory planning and optimization by demand, creating a more efficient supply chain



# Where are we going with TOUS?

As a digital agency we understand the role we play as a digital marketer, but we go beyond the advertising of a product.

Since the inception of our relationship with TOUS we took the lead in creating their US Amazon Marketplace account, and were an extension of their team, keeping all messaging and plans cohesive. Taking into account that the Amazon account aligned with their goals from their online store and retail stores, we took full ownership where meeting statuses and communications with the client are constantly filled with insights and recommendations. Not only is our focus implanted in strategizing and executing their online presence in the US Amazon Marketplace, but we continue to push towards their goal in expanding globally.

Now that we have successfully established the brand's presence in the Amazon marketplace, the next step is to replicate this process in other countries.

At the same time, we are fully integrating the growth strategy with their other channels in the US. An we will achieve those goals with an omni channel transformation. Providing TOUS customers with a fully-integrated shopping experience. Designing a full service journey, ensuring that the end-to-end digital and live-contact journeys address identified customer needs and preferences.

We embrace TOUS mission as ours: "To be desired throughout the world because we offer jewelry and accessories that celebrate each moment of life, and to be an exciting brand that adds value thanks to the quality, passion and spirit of service inherent in all the people connected with TOUS", Alba Tous, TOUS Chairwoman.

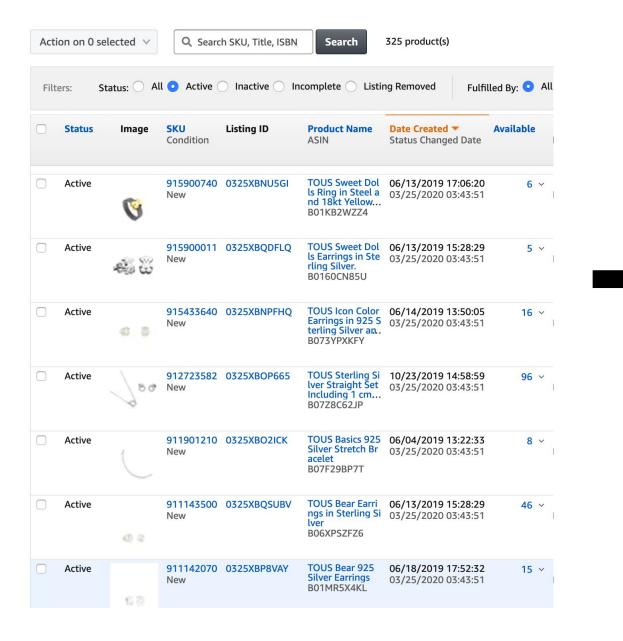


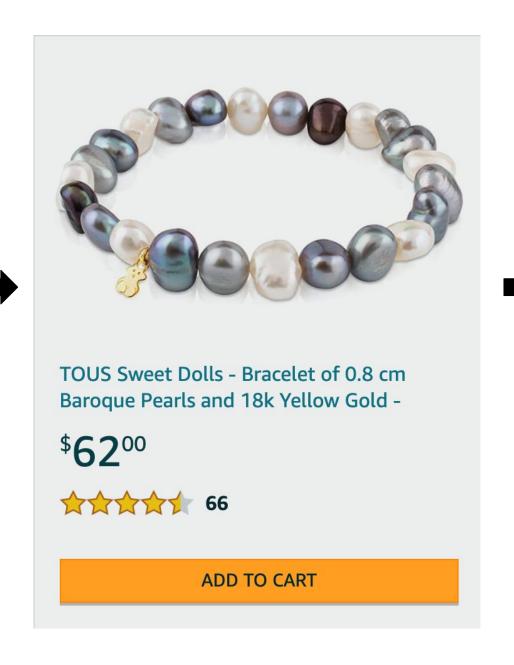
What does this look like?

## Set Up TOUS USA Amazon Storefront

**Launch Products on Amazon** – organize the inventory database to load hundreds of SKUs into the platform using Channel Advisor

**Build a solid Amazon Storefront**, where we tell TOUS unique story, built brand familiarity and help people discover TOUS entire product portfolio







The perfect gift for her

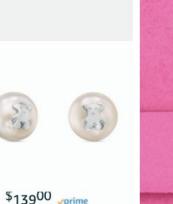
TOUS HOME MOTHER'S DAY TOUS FAVORITES BRACELETS EARRINGS NECKLACES CHOKERS MORE

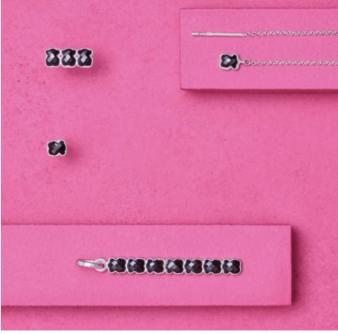








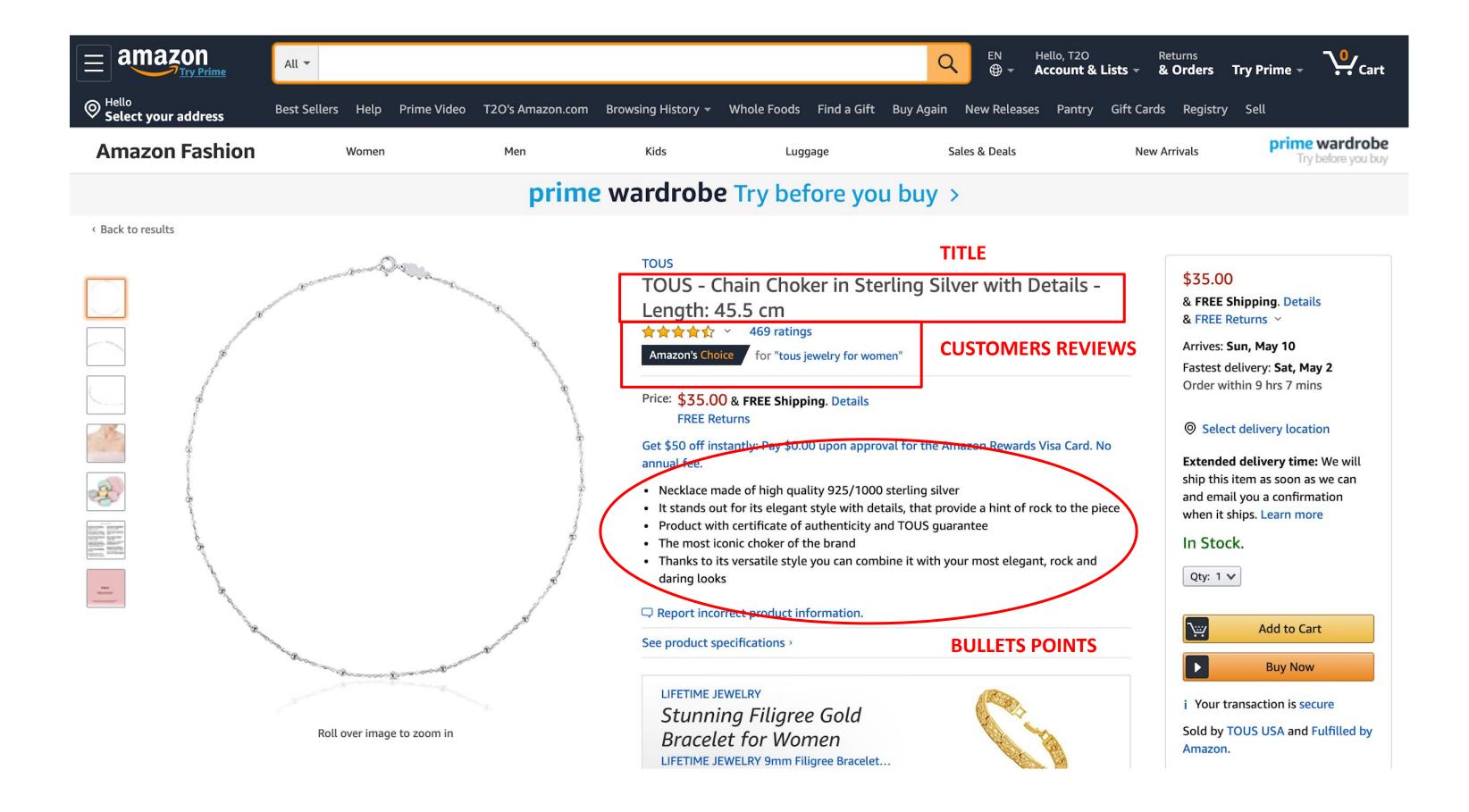








# Product visibility on Amazon: What your search ranking is based on?



## Product buyability: What is the Buy Box and it matters?

The Buy Box is located on the top, right-hand side of the product details page. This is where buyers can easily add items to their cart. Essentially, this is the "real estate" that all sellers of the same product are competing for

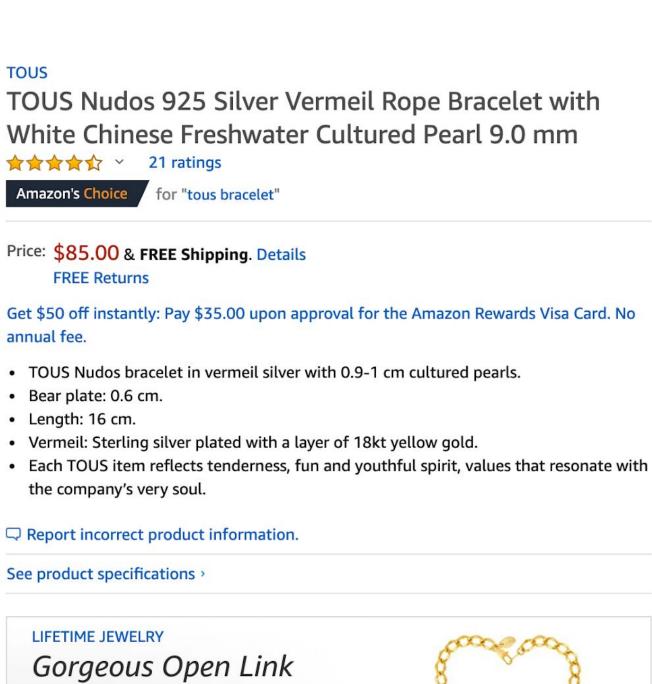
24k Gold Anklet

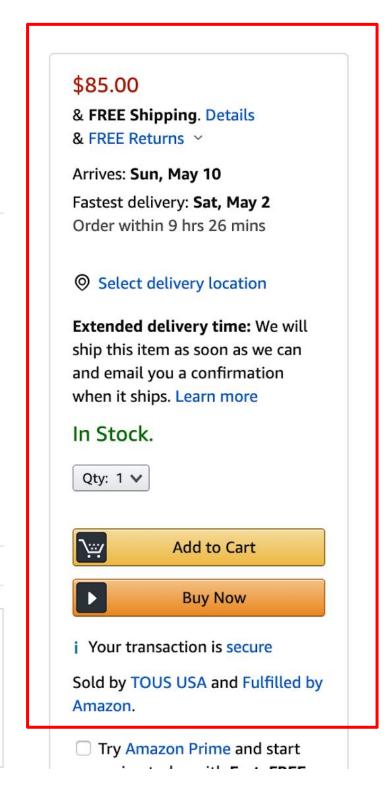
\$18.95 **/prime** 

Lifetime Jewelry 5mm Open Link Anklet for...

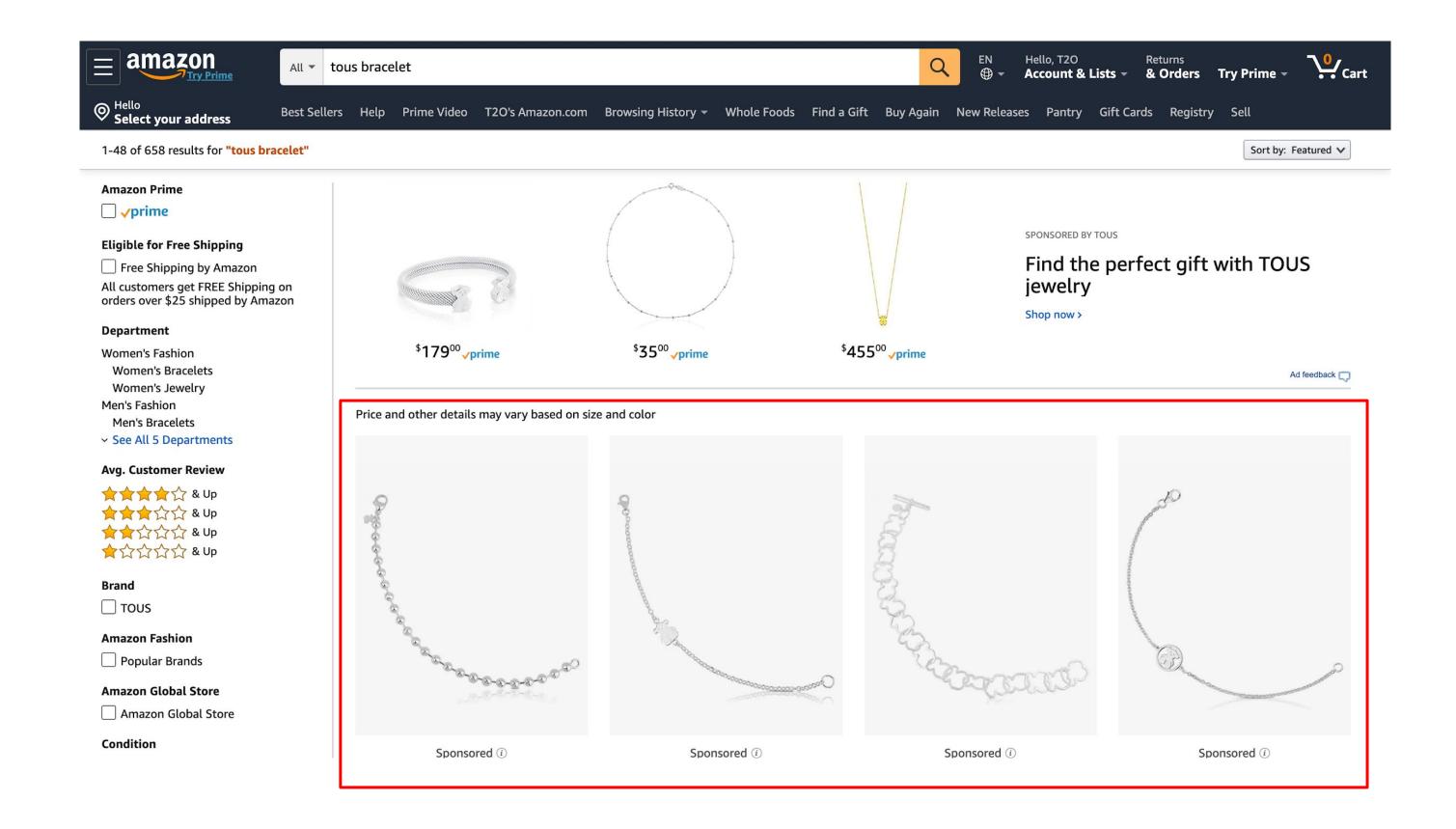


Roll over image to zoom in

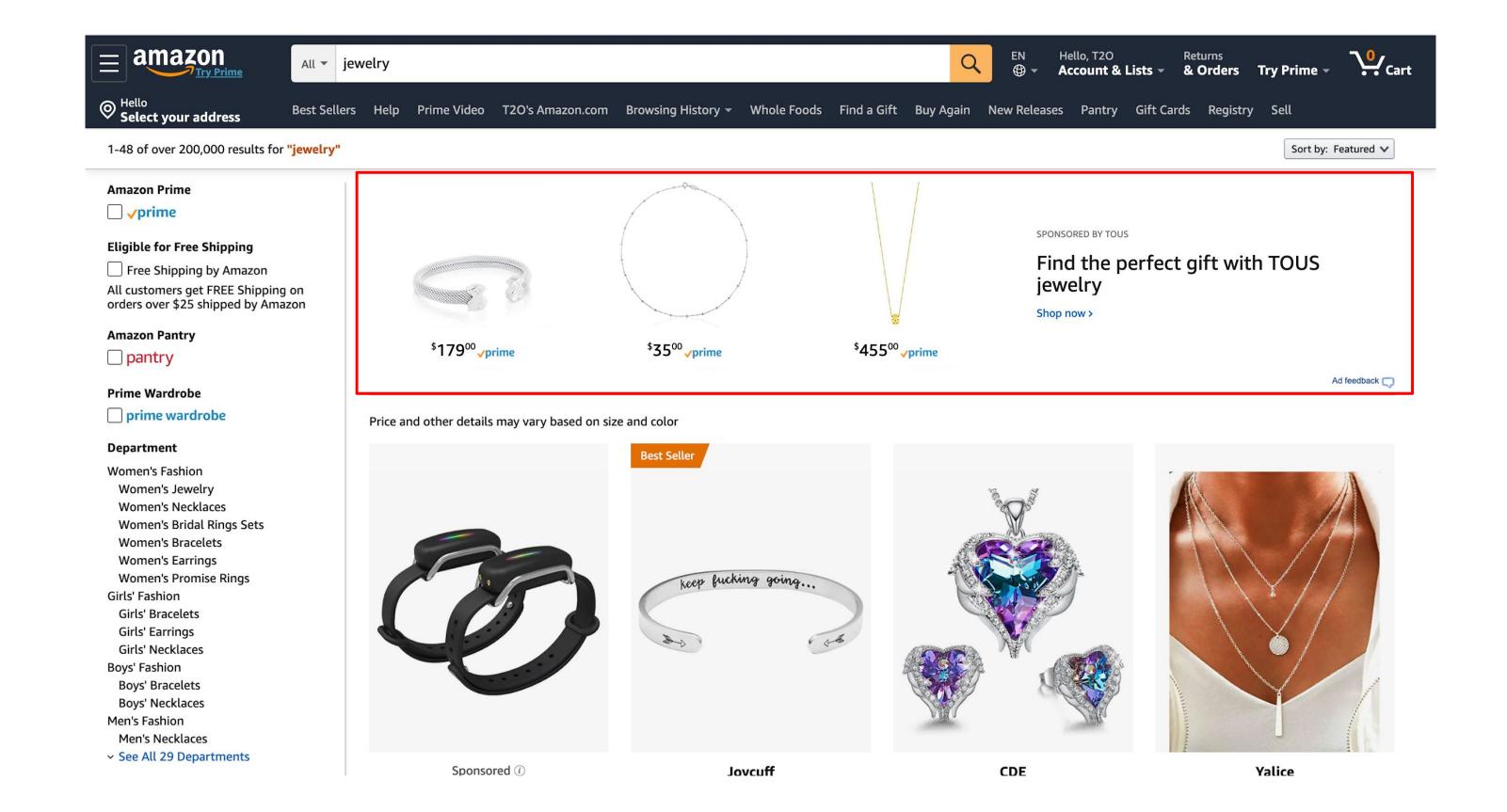




# **Sponsored Products Example**



# **Sponsored Brands Examples**



# **Amazon DSP Examples**



#### \$**75**00

Get it as soon as **Sun, May 10** FREE Shipping by Amazon



#### **TOUS**

Nudos 925 Silver Vermeil Rope Bracelet with White Chinese...

**★★★★☆ ~ 21** 

\$8500

Get it as soon as **Sun, May 10** FREE Shipping by Amazon



\$**75**00

Get it as soon as **Sun, May 10** FREE Shipping by Amazon



#### **TOUS**

Sweet Dolls 24k Yellow Gold Rope Bracelet

★★★★☆ ~ 7

\$16500

Get it as soon as **Sun, May 10** FREE Shipping by Amazon



\$11500

Get it as soon as **Sun, May 10** FREE Shipping by Amazon



#### **TOUS**

Jewelry Icon Pearl Silver Sterling Silver Adjustable Nylon Cord with ...

**★★★★☆ ~ 54** 

\$48<sup>75</sup> \$65.00

FREE Shipping



**\$72**00

Get it as soon as **Sun, May 10** FREE Shipping by Amazon



#### **TOUS**

Sweet Dolls 925 Silver Bangle Bracelet

**★★★★★ ~ 17** 

\$17900

Get it as soon as **Sun, May 10** FREE Shipping by Amazon

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