



Case study | Toys

Optimization of online distribution through decoupling from offline channels and bonus systems

Initial situation

The toy manufacturer was faced with a complex challenge: on the one hand, three different distributors were offering the products on Amazon, some under their own labels, which resulted in double listings and country-specific additional sales. In addition, these distributors were supplying Amazon directly as vendors, which led to grey imports, a deterioration in price levels on the platform and negative customer experiences - both online and in offline B2B retail.



Goals

The goal was to stop the downward price spiral of products, create stable and healthy pricing and prevent grey imports.

Measures

eBazaaris pursued a transparent communication strategy with the existing distribution partners to inform them about the detrimental effects of the previous distribution structure. It was emphasised that a decentralised distribution structure spanning several countries was detrimental and required a centralised approach. Distributors for whom online trading was not important were persuaded to stop supplying Amazon. Some distributors were reimbursed for the profit lost by not selling on the marketplace in order to take them off the Amazon marketplace. eBazaaris took over these compensation payments, as these could be recouped via the online distribution partners. In this way, the manufacturer was able to utilise the marketplace effectively with a specially selected distribution partner, maintain the brand image, expand the market reach and ensure a stable pricing policy.

Outcomes

Reduced number
of distributors on Amazon

Improvement
of the brand image

Pricing control
and restriction of grey imports

Improvement
of the customer experience

Key takeaway

The strategic realignment of the distribution structure by eBazaaris demonstrates the importance of a clear separation between online and offline sales channels and the effectiveness of financial incentives for distributors to ensure a consistent brand presence and price stability in the e-commerce environment.



About eBazaaris

Since 2016, eBazaaris provides brand owners with a comprehensive approach to evaluating, developing and managing ecommerce marketplaces and social media platforms in Europe.

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