



NEWEGG MARKETPLACE:

# Your Partner in the Direct-to-Consumer Movement



# The Direct-to-Consumer (DTC) Movement is transforming the e-commerce landscape

In today's digital age, consumers have access to more information and purchasing options than ever before. These options are expanding all the time, and are even easier to access thanks to the continued evolution of mobile technology. In this new era, where connectivity is key, many manufacturers are making the decision to sell DTC online in order to develop a deeper bond between their brand and the customer.

Major global brands like Dyson and DJI, who have partnered with Newegg Marketplace to bolster their DTC efforts while maintaining a strong presence in traditional brick-and-mortar channels, have taken the plunge into DTC e-commerce to ensure their carefully crafted brand isn't diluted or misrepresented by the array of resellers selling their products online.

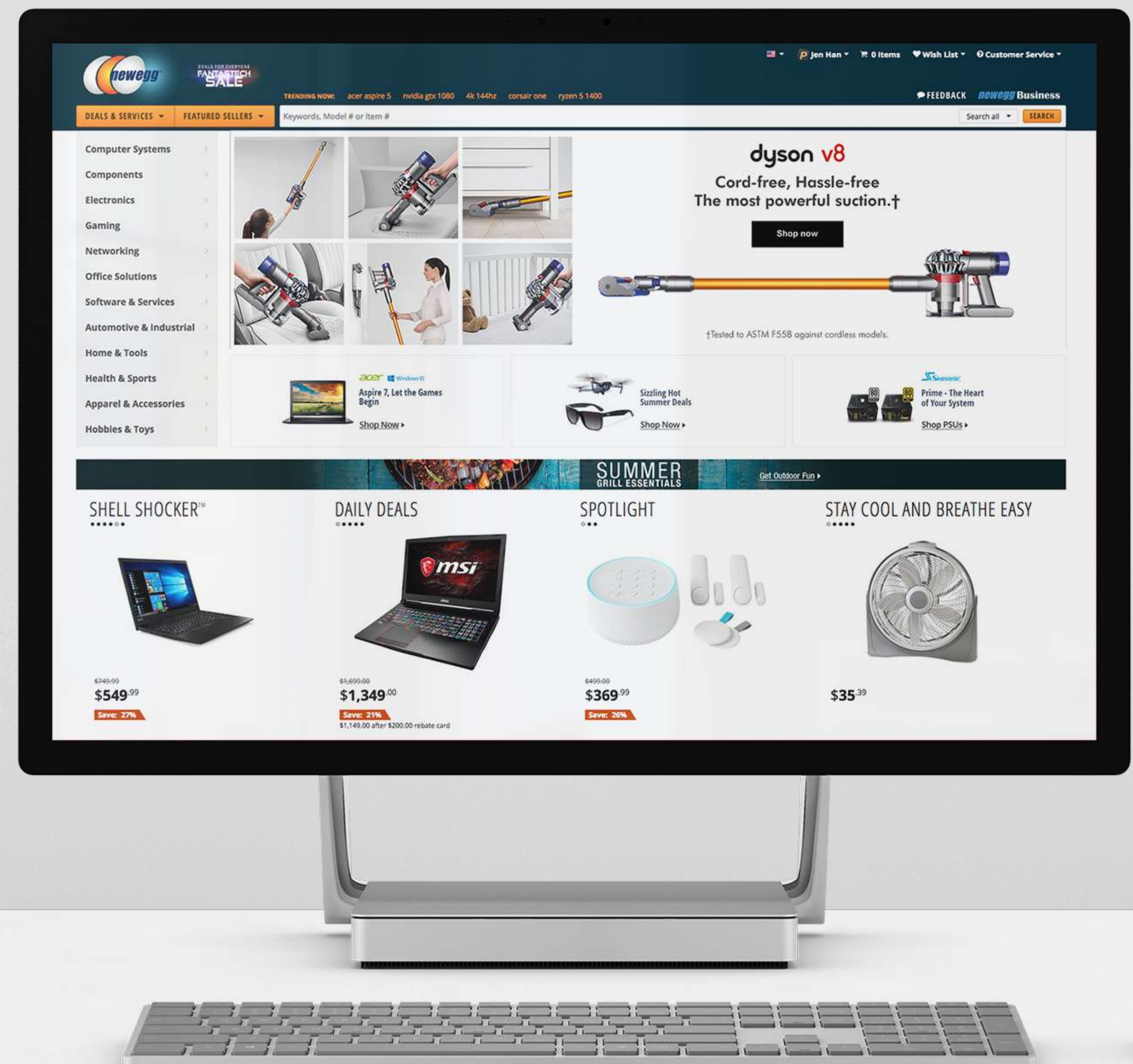
Manufacturers are already reaping the benefits of going direct. DTC sellers report significant improvement in customer engagement, awareness, acquisition, satisfaction, mindshare, and profitability<sup>1</sup>.


## Sources:

1. How Leading Brands Are Winning The 'Direct-To-Customer' Conversation

# 2/3

of U.S. consumers expect direct connectivity to manufacturers.





# 71%

Growth in the number of manufacturers expected to sell DTC this year<sup>1</sup>

# 40%

of manufacturers are selling DTC<sup>1</sup>

# 1/3

of consumers are buying directly from manufacturers<sup>1</sup>

# 50%

of the global online retail market is made up of Marketplaces<sup>2</sup>

Sources:

1. How Leading Brands Are Winning The 'Direct-To-Customer' Conversation

2. Why Brands and Retailers Are Going DTC on Marketplaces

# In the rapidly changing world of e-commerce, manufacturers are facing a number of challenges.

**Lack of Expertise** – According to Forrester, about 45% of manufacturers identified developing internal expertise in building and managing a direct channel as the main roadblock to selling DTC.<sup>3</sup>

**Structure** – Many manufacturers lack the marketing and logistical resources to support the demands of an e-commerce channel.

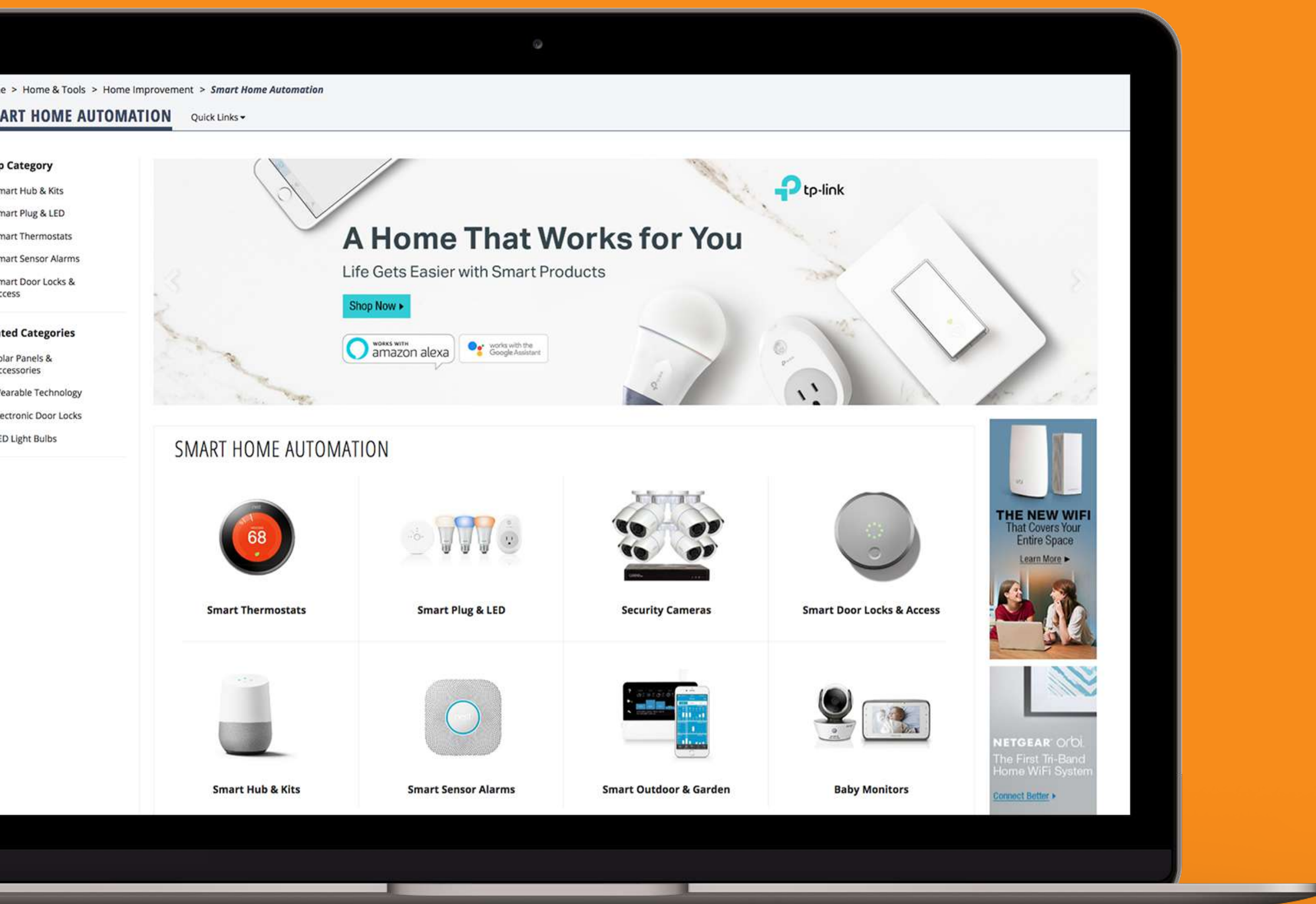
**Increased Customer Expectations** – Manufacturers accustomed to longer shipping times have to adjust to the new normal: 83% of consumers consider “fast shipping” to be two days or less<sup>4</sup>. These consumers also want more responsive customer service through avenues like online chat and social.

**Channel Conflict** – Manufacturers looking to go DTC must balance this new channel with their existing distributor relationships.

**Sources:**

### 3. Be Direct: Why A Direct-To-Consumer Online Channel Is Right For Your Business

4. 2016 Deloitte Holiday Survey





## A TIP FROM OUR PARTNERS – Branded Return Portals

Return policies are one of the most influential factors that drive sales. They play a crucial role in your brand's identity, because it instills credibility. Return policies are an important part of your consumers' overall brand experience. Although customer satisfaction is important, it should balance with your business' protection.



According to a consumer survey by UPS, 88% of shoppers review retailer's return policy. 66% of them also consider returns before purchasing. 15% abandon their carts when a returns policy is unclear (UPS). In other words, branded return portals affect online retailers' sales and conversions.

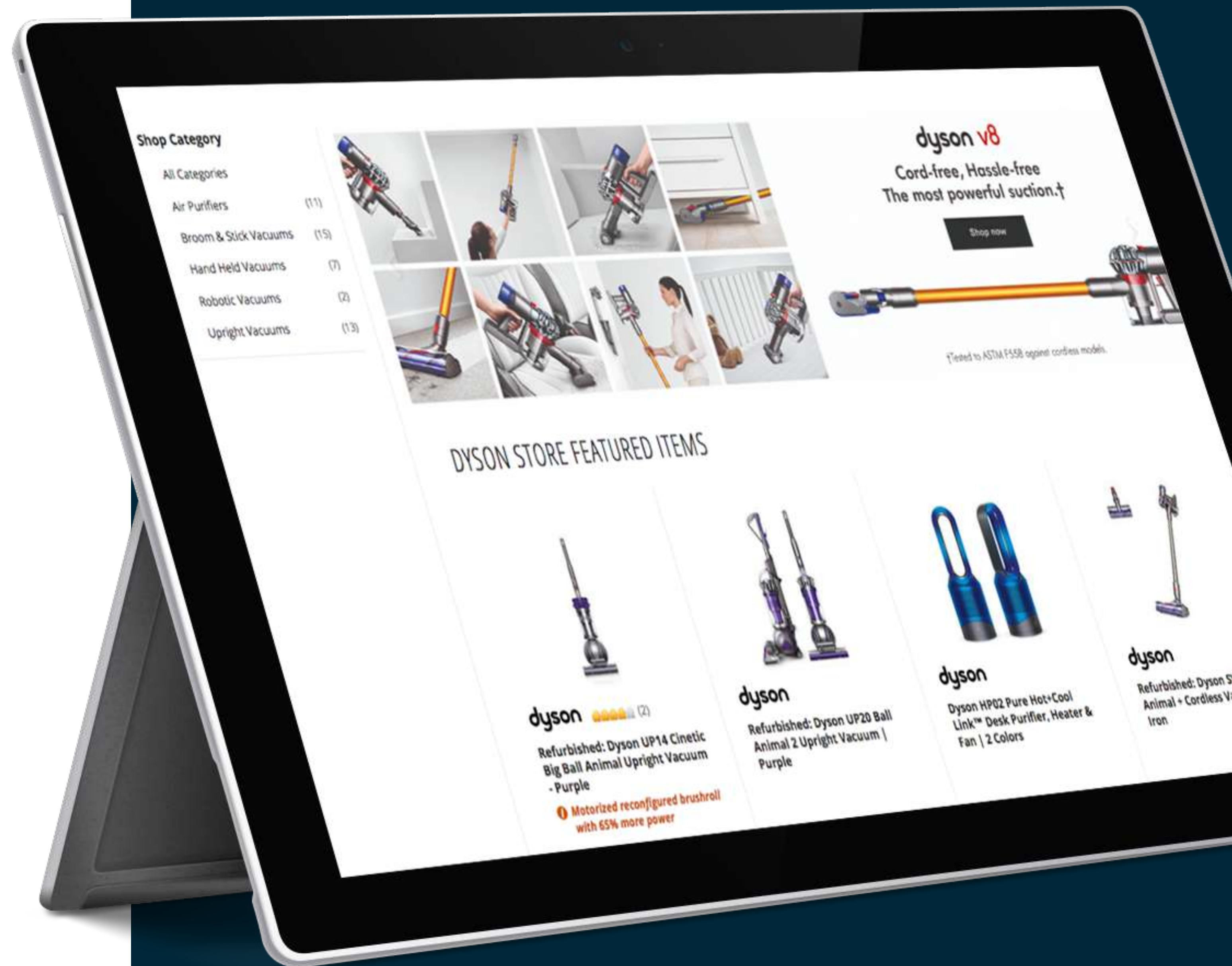
The returns policy you offer can make or break your consumers' brand loyalty. They should be mutually beneficial for you and your customers. Returns are important to successful businesses, because it reflects confidence and transparency. Most shoppers will make a repeat purchase if the returns process is easy. Therefore, your returns policy and process must be easy to understand for customers to follow through with. Easy and concise policies create customer loyalty and decreases shopping cart abandonment.

Overall, it is impossible to avoid returns. A good return policy can increase customers' satisfaction and optimize brands. There are various ways to improve your business' returns like offering extensions or doing it for free. Customer initiated returns via a branded returns portal is one of the most important ways to make your brand more consumer-orientated. When a consumer has a good post-purchase experience, it will increase their likelihood of making a repeat purchase.

To learn more about return automation, please visit:  
<https://info.shipstation.com/brand-your-shipping-ebook>

# DTC Through Marketplaces – What are the advantages?

- ▶ Quick scalability without having to custom-build their own sales platform, saving significant cost.
- ▶ Immediate visibility to an established customer base.
- ▶ Experiment with SKUs to determine product relevancy, conversion, and profitability.
- ▶ Full control of the channel – Manage listings, pricing, inventory levels, content, and overall customer experience while leveraging the marketplace's tools.





## **Newegg is ready to help you join the DTC Revolution**

- ▶ Over 130 exclusive manufacturers debuted with Newegg
- ▶ Large established customer base: Over 36M
- ▶ Long history in e-commerce: In business since 2001
- ▶ Forrester's Top 10 US Digital Retailer
- ▶ Internet Retailer's Top 500 E-Tailers 2018
- ▶ TWICE's Top 10 CE Retailers

# Newegg Helps Manufacturers Sell Smarter

*With Marketplace, I could reach the massive amount of customers Newegg built up over the years and the best thing is I could regulate the price structure myself.*

— Be quiet! German PC Parts Manufacturer

## Fulfillment and Customer Service

We have one of the most reliable, fast, and cost-effective fulfillment networks in the industry. Take advantage of it with Shipped by Newegg (SBN). Ready to pick, pack and ship. With state of the art order fulfillment centers across North America, SBN takes away the time and cost associated with building your own fulfillment infrastructure, helping you efficiently reach a broader range of customers. Opting into SBN can also help win the buy box position, driving more customers to your listings.

We have dedicated customer service teams ready to communicate with your customers. In addition, our Newegg Returns Service enables you to use Newegg as a returns processing center, streamlining the returns process and creating a better experience for your customers. That way, you can focus more effort on selling and make your customers happy at the same time.



## A TIP FROM OUR PARTNERS – Automated Workflows

A workflow is the process of exchanging information and completing a series of tasks. When it is inefficient, it becomes time-consuming and can obstruct workers' priorities. When businesses automate their workflows, they can optimize time while saving money. Workflow automation is a sophisticated solution to workplace inefficiency by simplifying human tasks. Any department in your business can enjoy a workflow automated software. It transforms mundane tasks to efficient activities to propel businesses to move forward.



- ▶ Comparing rates in real time
- ▶ Batch print labels
- ▶ Funneling dropshippers and 3PLs
- ▶ Inventory tracking
- ▶ Tool automation
- ▶ International shipping access
- ▶ Returns processing

Workflow automation is the latest business technology that saves time and money. It is extra help in the workplace, especially since it simplifies the work process. An MIT Sloan survey found 91% of executives believed digital technologies like streamlined operations can transform the way companies work (workato). Software automations contain several benefits, depending on the department's goals. The right workflow automation software can optimize collaboration and internal communication. Efficient operations systems ensures overall productivity.

There are several benefits that software automations can offer, depending on the goals of the department. The right workflow automation software can optimize collaboration and internal communication. Efficient operation systems ensures productivity and getting work done.

Akin to business workflow optimization, business' shipping process can also be optimized. Businesses can import, manage, and ship online orders through automated shipping systems such as ShipStation. Furthermore, orders can be synced, updated, and tracked. There are several features including a multichannel order management to connect shopping carts, marketplaces, as well as customer stores.

To learn more about automation, please visit:  
<https://www.shipstation.com/features/automate-everything>

# First Look: DJI's New Spark Drone is Compact and Smart

By Gregory Rice | May 24, 2017 | Featured Articles



We've been seeing leaked photos and renderings for months, and finally DJI has officially announced the **Spark** to their line of drones. This is easily the most hyped and wildly rumored drone DJI has produced, keeping the quadcopter community on edge. Fortunately for us, we got our hands on one to check out and share an up-close look.

## How small is it?



## Marketing and Brand Management

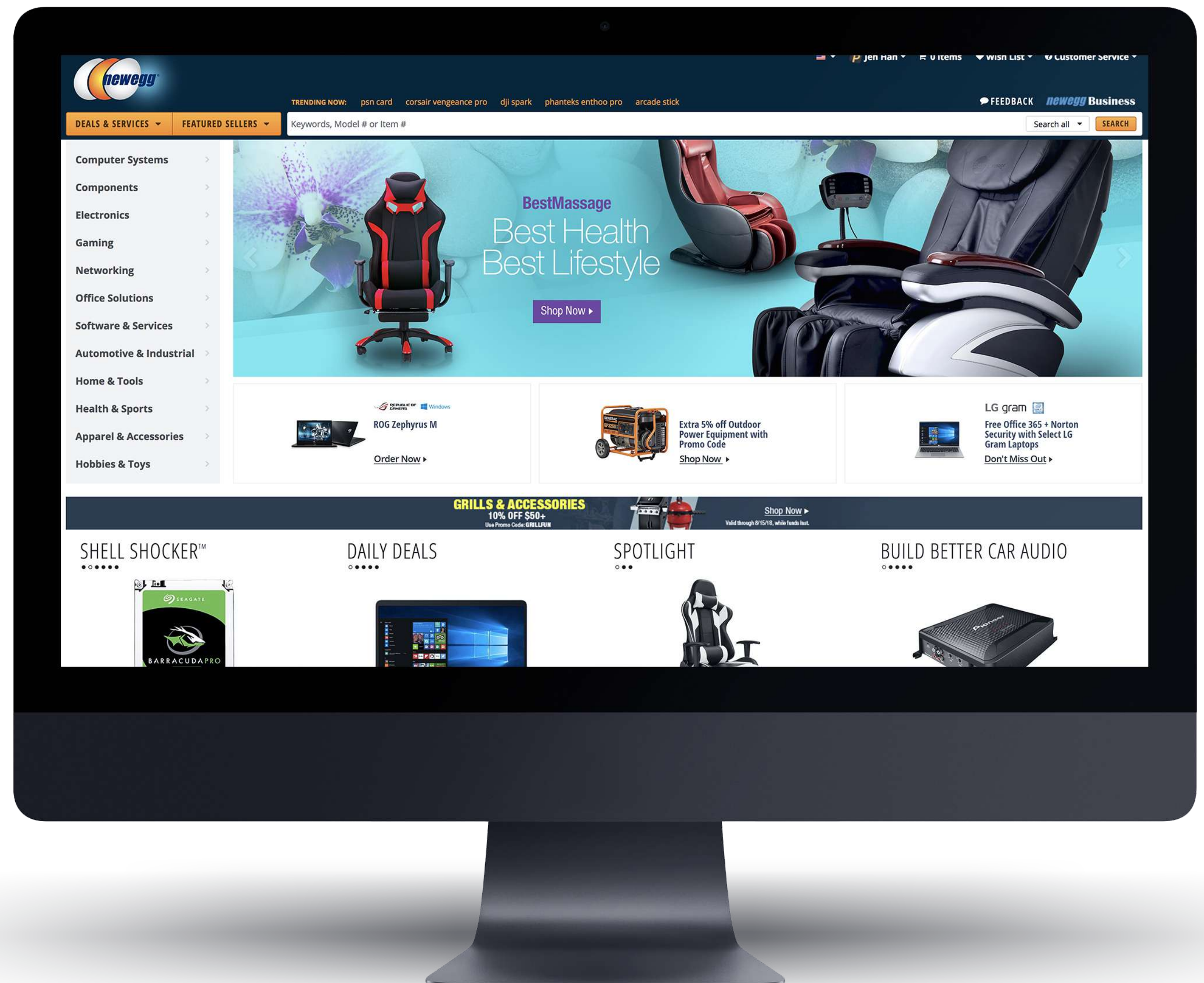
**Our services ensure that your brand voice and story is perfectly presented. Access a fully customizable seller store where you can customize the look and feel to match your brand standards.**

Coordinated and tailored marketing campaigns can give you the exposure you're looking for. Manufacturers like drone-maker DJI were given greater direct control over their brand messaging, improving overall brand consistency. We partnered with them on co-marketing including homepage placement and editorial features for product launches. DJI has reaped the benefits of our marketing partnership, achieving consecutive years of 8-figure GMV.

## Unrivaled Investment in Our Partners

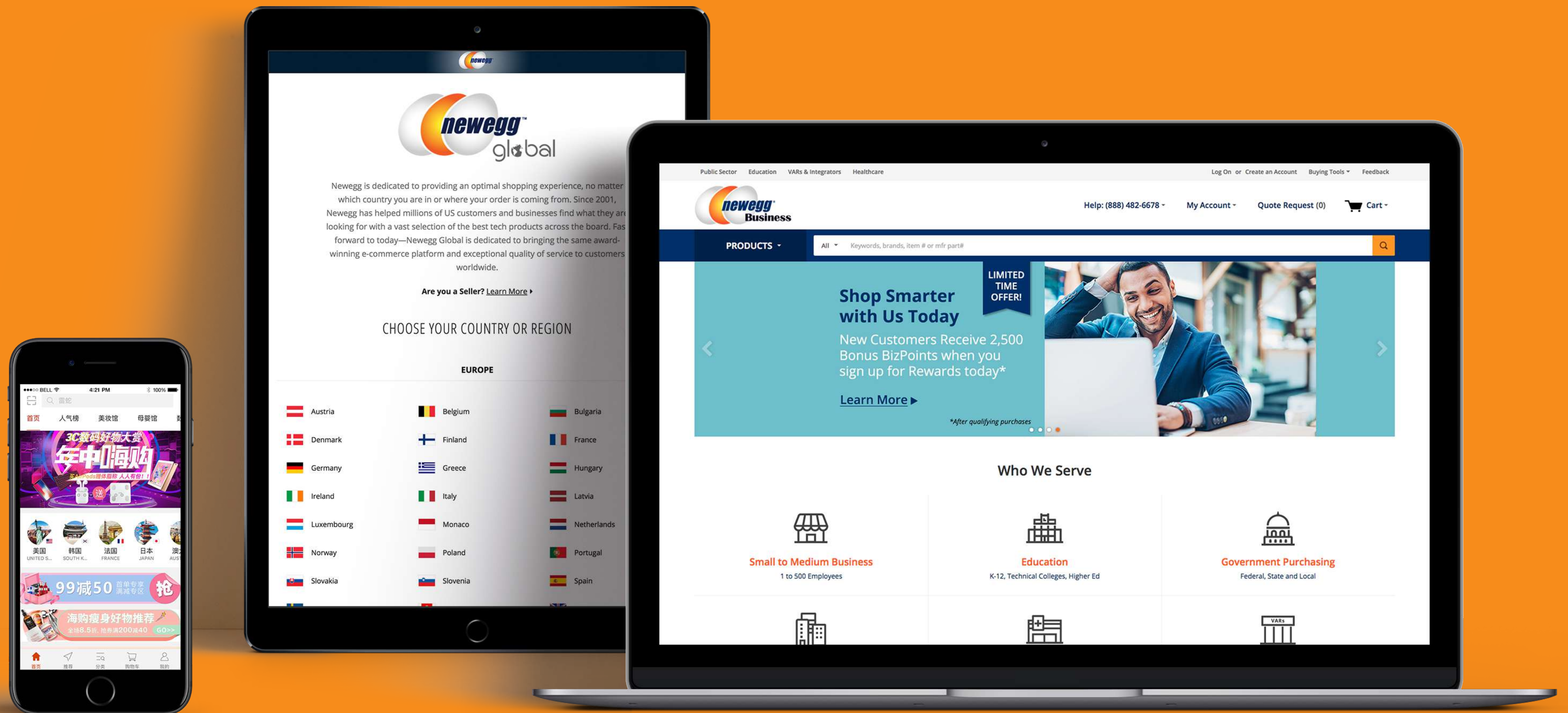
Newegg is committed to helping our Marketplace sellers reach their full potential. Our team of account managers and merchandisers are here to address your needs, including promotional strategies and campaigns.

When massage chair manufacturer Best4Less struggled to achieve their full sales potential, our merchandisers worked with them to develop a more competitive approach to pricing and promotions, including targeted email campaigns around occasions like Mother's Day. With this renewed competitive focus, Best4Less has experienced a 1000% increase in GMV since 2016.



# Long-Term Scalability

Our partners can target new customer audiences by expanding to Newegg Business, Newegg Canada, and over 50 international markets with ease – with selling tools conveniently available in Newegg Seller Portal. Our platform options give you limitless possibilities.





## Sell Smarter with Newegg Marketplace

More consumers are looking to purchase directly from trusted brands. The question is: Are you going after them? Going direct sounds intimidating and resource heavy, but leveraging marketplaces such as Newegg is a great way to minimize those challenges. Immediate access to an expansive customer base, equipped with the right tools, know-how, and personnel make going direct seamless.

Not selling on Newegg?  
Fill out this [quick form](#) to get started.

Learn more: [newegg.com/sellers](https://newegg.com/sellers)  
Contact us: [marketplacemarketing@newegg.com](mailto:marketplacemarketing@newegg.com)

