Increasing eCommerce ROI:

How a Sporting Goods Retailer Increased ROI with
Amazon Webstore and Amazon Product Ads

An Amazon Webstore Case Study

"With Amazon Webstore and Amazon Product Ads, we are
reaching more shoppers, generating more revenue at a
lower cost-per-click, and earning a much higher ROI."

- Rob Meyer
Director of eCommerce, Anaconda Sports

EXECUTIVE SUMMARY

Anaconda Sports, a leading sporting goods dealer in the United States, wanted to simplify the management of the company's eCommerce website and reduce the cost of driving traffic to it. The time, effort, and expense Anaconda Sports spent to manage an aging eCommerce infrastructure, combined with high and growing costs for online advertising, was eroding the company's return on its online investment. To solve this problem, Anaconda Sports used Amazon Webstore to build a full-featured online store that is efficient and easy to maintain, and used Amazon Product Ads to advertise to Amazon.com shoppers—getting more than three times better conversion than with their other online advertising. Now the company has optimized its online advertising, enhanced customer service, and built an efficient, flexible eCommerce environment that helps it bring in more revenue and increase its return on investment.

About Anaconda Sports

In 1978, brothers Bill and John Stote founded Anaconda Sports to sell sports equipment to universities, high schools, organized sports leagues, corporations, and public institutions, as well as individual consumers. Through mail- and phone-order catalogs and online sales, Anaconda Sports has built a reputation for value and dependability, and has grown to be a competitive sporting goods dealer in the United States.

Based in Kingston, New York, Anaconda Sports manufactures its own lines of basketballs, baseballs, softballs, bats, and athletic apparel. Through its offline and online catalog sales, Anaconda Sports is also

a major distributor of Rawlings, Louisville Slugger, Nike, and other popular brands of sporting equipment. The company operates manufacturing and distribution centers in New York, and generates millions of dollars in annual revenue. In 2010 Anaconda Sports was acquired by the Lids Sports Group to be part of the Lids Team Sports Division.

Anaconda Sports has been selling sporting equipment online since 1996. The company's eCommerce website has become an important sales channel for many of Anaconda's most popular products as well as for discontinued products, clearance, and other low-margin inventory.

THE CHALLENGE
AN INEFFICIENT ONLINE STORE

Initially, Anaconda Sports developed and managed its eCommerce website with an enterprise platform from one of the world's leading software manufacturers and relied on text and display ads to drive traffic. The eCommerce platform was complex to manage and out of date, and Anaconda's online advertising initiative had become costly, reducing the company's return on investment (ROI). "The website was starting to create headaches and expense, and the cost-per-click for our online advertising had gotten out of control," says Rob Meyer, Director of eCommerce at Anaconda Sports. "We were looking for ways to improve efficiency and cut some costs."

Meyer and his assistant were responsible for manually uploading the online ads, which was a time-consuming and inefficient process. Up to 40 percent of the products in the feed they uploaded were rejected by the ad server; some items on the Anaconda Sports website can't be purchased online, but Meyer had no easy way to exclude items from the ads. "We wanted to optimize the feed to include only items that customers could click through and buy," says Meyer. "But the items that we wanted weren't being included in the ads, and the products that we wanted to exclude were showing up."

With more than 10,000 SKUs on the Anaconda Sports eCommerce website,

it took Meyer and his assistant up to six weeks to update the catalog each year. Many routine customer service processes on the site also required a high level of technical know-how, which created more work for the IT team. Customers could not create an account on the website, so they had to re-enter information every time they placed an order; nor could they review their order history or check the status of current orders online, but instead had to call the customer service desk or their sales representative.

The additional time, effort, and expense it took to manage the website combined with the cost of online advertising was causing ROI to erode quickly. To remain profitable, Anaconda Sports needed to

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simplify its eCommerce management, meet its customers' needs, and reduce the cost of driving traffic to its website. "We had to make a change," says Meyer. "We needed an eCommerce website that was more stable, had more features, and that was easier for our customers and business users to operate."

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THE SOLUTION
## SIMPLER, MORE COST-EFFECTIVE ONLINE ADVERTISING AND SALES

Anaconda Sports decided to create a new eCommerce website using Amazon Webstore, an all-in-one eCommerce platform from Amazon, and drive traffic to the new anacondasports.com with Amazon Product Ads. By relying on the strength of Amazon's cloud-based infrastructure, Anaconda Sports built a stable, easy-to-manage, and cost-effective online shopping experience that is scalable and reliable; and by employing Amazon Product Ads, the company gave its products visibility to hundreds of millions of shoppers on Amazon.com.

Optimized Online Advertising

When Anaconda Sports places Amazon Product Ads, it targets shoppers who are searching for sporting goods and field equipment on Amazon.com. Online shoppers can see Anaconda Sports ads on Amazon product detail pages, in search results, and other places on Amazon.com—and when customers click on an ad for an Anaconda Sports product, they are taken away from Amazon.com and directly to the associated product page on anacondasports.com. From there, Anaconda controls the branding and purchase experience.

The Amazon Product Ads platform is fully integrated with Amazon Webstore, so Anaconda can easily curate which products appear in its ads, and exclude items as they
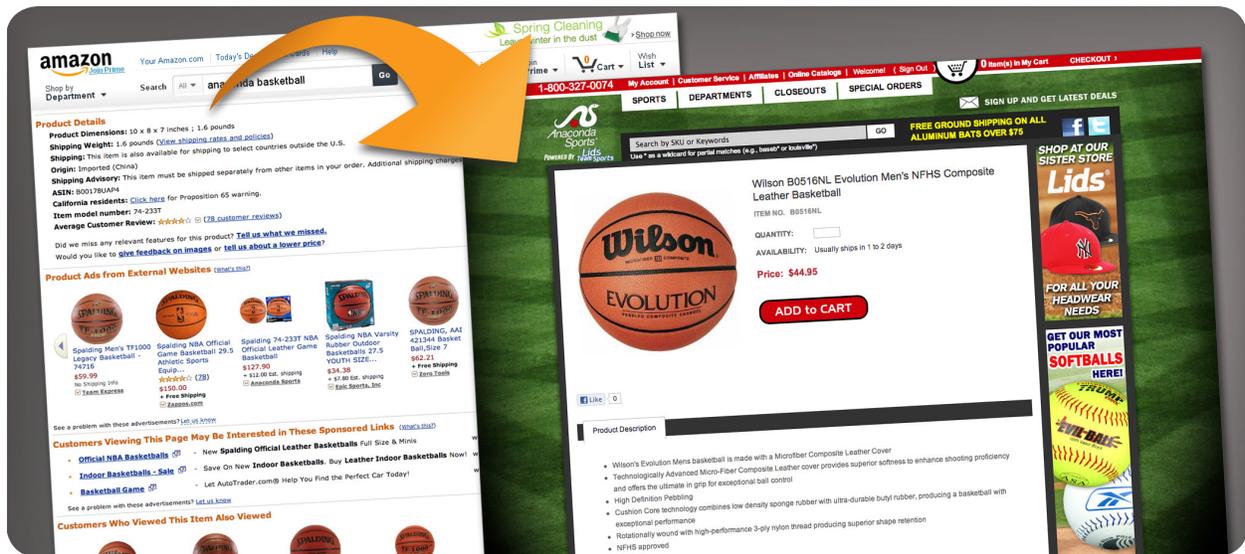
choose. The company no longer has to worry about potential customers clicking on ads for items they can't purchase directly online. "We can use Amazon Webstore tools to very easily exclude products that we don't want in our ads, and more than 90 percent of the items we put in the Amazon Product Ads feed are displayed on the Amazon Marketplace," says Meyer.

Anaconda Sports can use Amazon Webstore reporting tools to search for top-selling items, determine which ads are most effective, and modify its Amazon Product Ads feed accordingly. The company uses Amazon Product Ads to direct online shoppers to specific products on its website, so they can clear out narrow-margin merchandise more efficiently or focus on seasonal items. During the weeks preceding baseball season, for example, Meyer can focus

his Amazon Product Ads on softball and baseball equipment. "By integrating Amazon Webstore with Amazon Product Ads, we have optimized our advertising, and I have no doubt that we have absolutely improved our online sales efficiency," says Meyer.

A More Efficient Online Store

By building their eCommerce site on the Amazon Webstore platform, Anaconda built a website that is easy to manage, maintain, and update with minimal IT support. Previously, Meyer and his team had to manually copy and paste the SKUs, colors, and other attributes for each product, one by one, to update their catalog. "Amazon Webstore is immeasurably easier to manage than our old website," says Meyer. "Instead of taking six weeks or more to update the site, now we can do it in a week."

With automated integration between Amazon Webstore and Amazon Product Ads, Anaconda also eliminated the daily chore of trying to rectify issues with its online ad feed. Meyer estimates he personally saves at least a day of work per week.

Instead of licensing and managing separate software or paying for a merchant account to process purchases on its website, Anaconda Sports now uses a single Amazon Webstore interface to manage product information, inventory, and orders. "The per-sale charges with Amazon are about what we paid just to process orders on the old website," says Meyer. "Now we have an integrated shopping cart, checkout, and payment processing— all automated within Amazon Webstore. It's saving us time and money."

Better Customer Service

Anaconda Sports has used Amazon Webstore to deliver an easier, more rewarding customer experience. Checkout and billing are automated, and online shoppers can easily create accounts, check the status of their orders, and quickly find the information they need online—without having to make a phone call to customer service. For more complex inquiries, customer service employees can help callers without requesting assistance from the IT department.

"Amazon Webstore does not require the level of technical knowledge that our old website did," says Meyer. "We used to have to assist customer service almost daily, and now we intervene less than once a month. Amazon has helped us make things easier on our business users and simpler and less frustrating for our online customers."

Meyer believes that by streamlining the overall customer experience on anacondasports.com, Anaconda Sports can maintain customer loyalty and increase its market share. "We have built our reputation and our business on the way that we treat our customers," he says, "and by using Amazon Webstore, we have enhanced every aspect of our customer service."

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Extended Market Reach, Better ROI

Anaconda Sports executes all of its online sales on its own branded eCommerce website, anacondasports.com, but by integrating its online store with Amazon Product Ads, it increases its market reach by exposing its products to hundreds of millions of shoppers on Amazon.com itself. "If you're using Amazon Webstore, you owe it to yourself to integrate it with Amazon Product Ads and get a presence on Amazon.com," says Meyer.

According to Meyer, Anaconda Sports has experienced a higher conversion rate and

better ROI since it fully integrated Amazon Webstore with Amazon Product Ads. The company's conversion rate for Amazon Product Ads is more than three times its conversion rate for its other online advertising.

"With Amazon Webstore and Amazon Product Ads, we are reaching more shoppers, generating more revenue at a lower cost-per-click, and earning a much higher ROI," says Meyer.

ABOUT ANACONDA SPORTS

Anaconda Sports, Inc.® was originally founded in 1902 as Kaye Sports and has grown over the years to become one of the largest sporting goods dealers in the United States. In 2010, Anaconda Sports was acquired by the LIDS Sports Group to be part of the LIDS Team Sports division. The LIDS Sports Group, operating within Hat World, Inc., is comprised of the LIDS retail headwear stores, the LIDS Locker Room specialty fan retail chain, the LIDS Clubhouse retail stores, the LIDS Team Sports wholesale team sports business and its Internet businesses, www.lids.com, www.lids.ca, and www.lidsteamsports.com.

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NEXT STEPS

According to Meyer, Anaconda Sports will continue to use Amazon Product Ads to engage shoppers on Amazon.com, direct them to anacondasports.com, and make them part of the company's own customer base. By relying on the flexibility and scalability of Amazon Webstore, Anaconda Sports can seize business opportunities by cost-effectively selling low-margin items and introducing new products. "Our website is growing all the time and online sales will continue to become a bigger part of our total sales," says Meyer. "We will use the Amazon Webstore platform to facilitate that growth, manage an expanding inventory, and easily add new items to our website. As Amazon continues to innovate, we expect it to help us grow and enhance our online presence."

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Amazon Webstore is a complete commerce platform that enables companies to leverage Amazon technology and expertise in building and managing their direct-to-consumer business.

Commerce sites built on the Amazon Webstore platform utilize Amazon's powerful cloud infrastructure and payment processing technology to deliver a scalable, secure online shopping experience to customers. Amazon Webstore also integrates seamlessly with selling on the Amazon Marketplace and using Fulfillment by Amazon, Amazon Prime, and other Amazon Services.

To get started with Amazon Webstore, visit the website at webstore.amazon.com or contact the Amazon Webstore team directly.