



DIAMOND
DATA SYSTEMS
CONNECTING PEOPLE WITH TECHNOLOGY

Competing Against Amazon

October 2018

 **THE UNIFORM
SOLUTION**

Good News – Bad News

▶ Bad News

- You can't compete with Amazon

▶ Good News

- You don't want to compete with Amazon

What Makes Amazon So Popular?

- ▶ What Makes Amazon So Popular?
 - Free Shipping?
 - Boatload of Movies and Music?
 - The Customer Reviews?
- ▶ It Boils Down to –
 - Incredibly Low Prices
 - Incredibly Large Selection

So How Should You Sell?

- ▶ Capitalize on Your Localness
- ▶ Focus on Your Selection
- ▶ Provide the Best Customer Service
- ▶ Personalize Customer Interactions

Capitalize on Your Localness

- ▶ Instant gratification – because we all want everything right now
 - Local Searches = Searches with Intent
 - Local Searches = Customers Through Your Doors

Local Searches = Searches with Intent

- ▶ Make sure your information is correct on Google

The image is a composite of two screenshots. The left screenshot shows a Google search for "tinka's boutique". The search results include links to Facebook, Yelp, and YouTube, all pointing to "Tinka's Boutique" in Dallas, Texas. The right screenshot shows the Google My Business verification process. A map of Dallas, Texas, is displayed with a red pin marking the location of Tinka's Boutique at 142 Spring Creek Road. A white box overlays the map, containing the text "To manage this business on Google, verify this information." and a checkbox labeled "I am authorized to manage this business and I agree to the Terms of Service". Below the checkbox are "Back" and "Continue" buttons. Another white box is overlaid on the map, asking "How would you like to get your verification code?" with options for "By phone now", "By text now", and "By mail at". A "Verify later" link is also present.

Google My Business

To manage this business on Google, verify this information.

Tinka's Boutique
142 Spring Creek Road
Dallas, Texas 75248
(972) 716-9944

☒ I am authorized to manage this business and I agree to the Terms of Service

Back Continue

How would you like to get your verification code? [Learn more](#)

By phone now
(972) 716-9944

By text now
(972) 716-9944

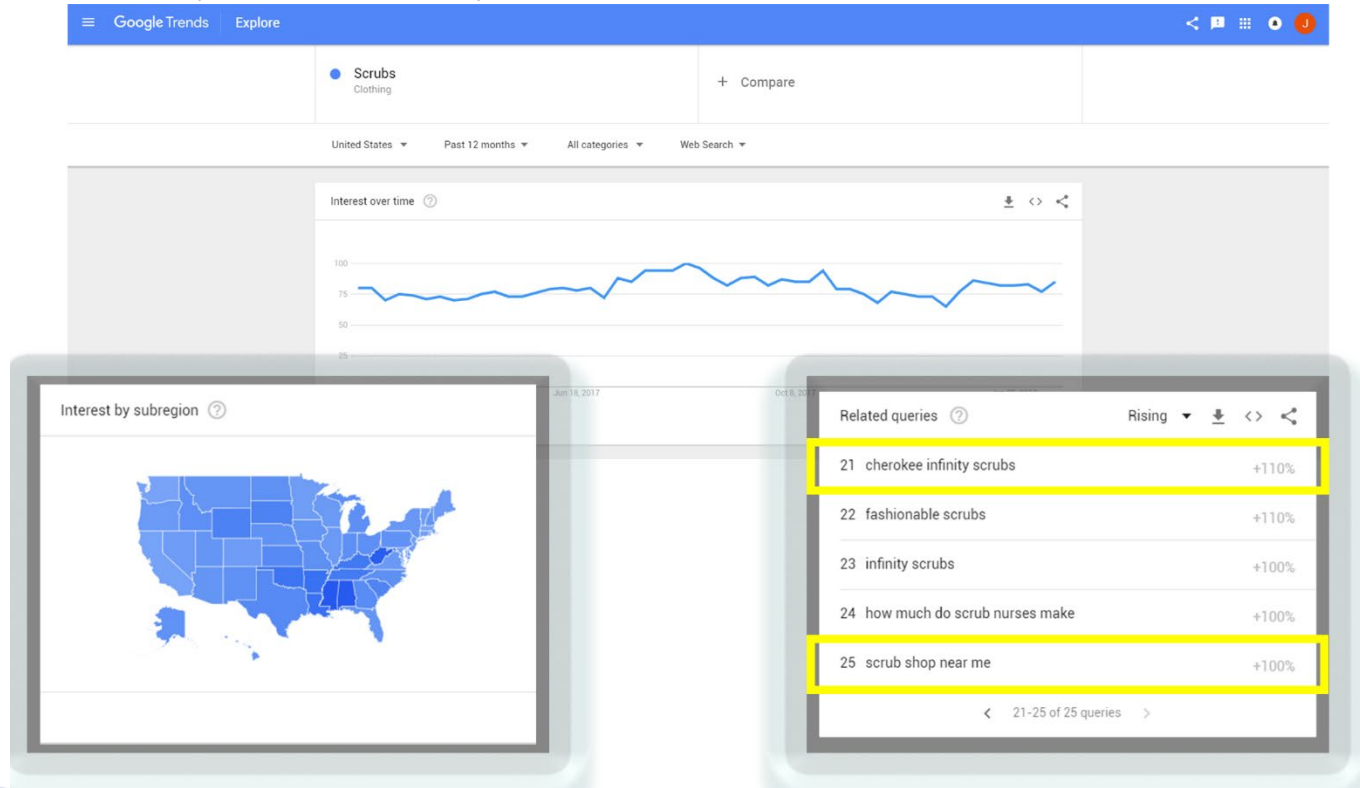
By mail at
142 Spring Creek Road
Dallas, Texas 75248
United States

Verify later

Call Text Mail

Local Searches = Customers Through Your Doors

- ▶ Google Trends
- ▶ Searches in The United States over the last 12-months
 - “Cherokee Infinity Scrubs” up 110%
 - “Scrub Shops Near Me” up 100%



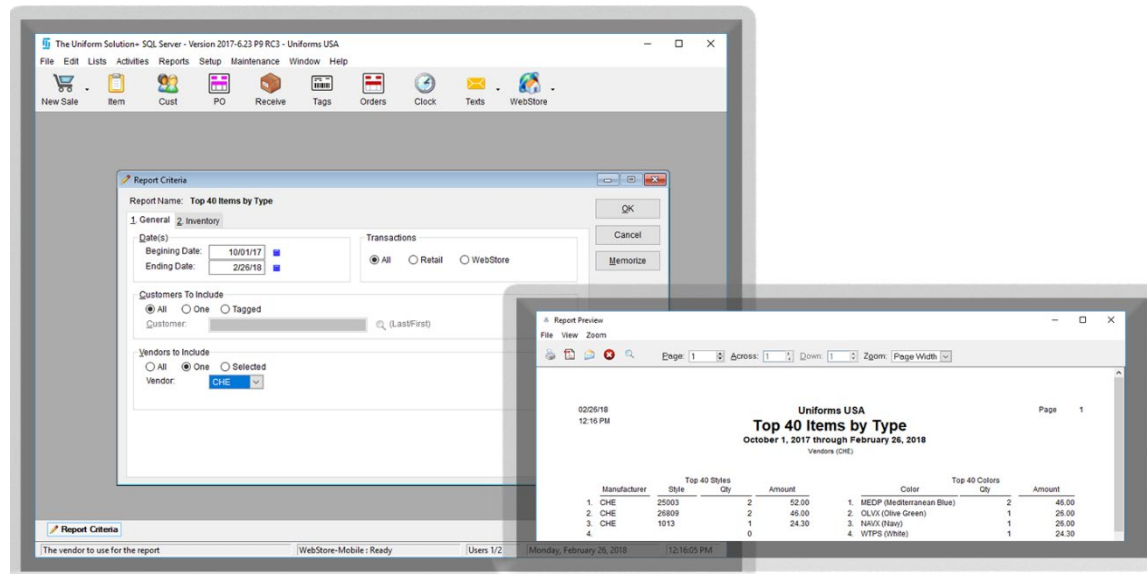
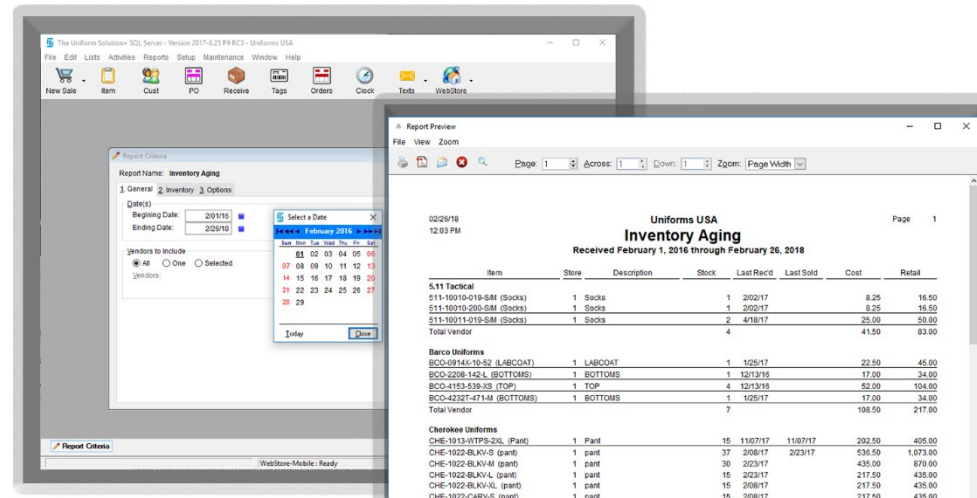
Capitalize on Your Localness Continued

- ▶ Outside sales are important for growing your business
 - Visit doctor and dental offices
 - Contract & Group pricing

Focus On Your Selection

► Where Do You Start?

- Talk to your vendor rep
- Proper reporting
 - Inventory Aging Report
 - Top 40 Report



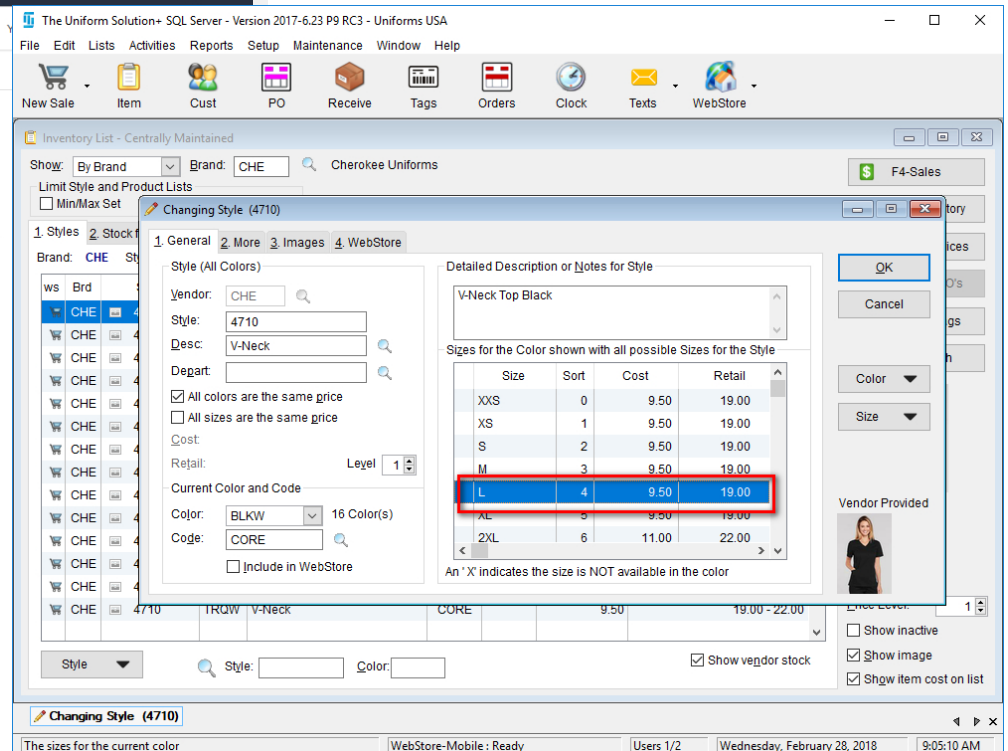
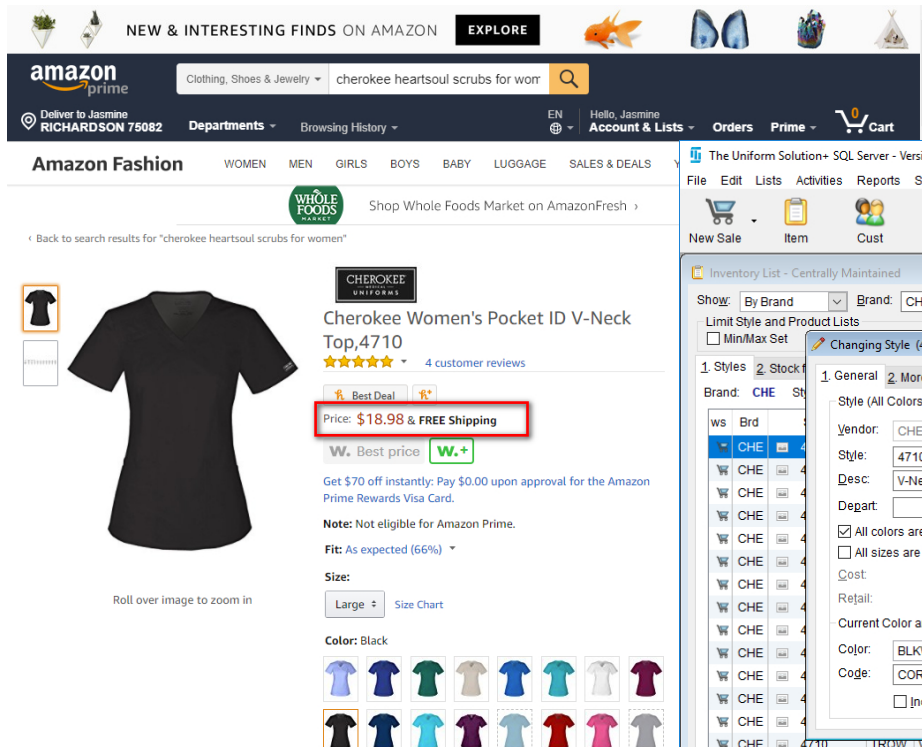
Provide the Best Customer Service

- ▶ The Human Advantage – You're the Expert
 - It's refreshing to speak with a person face-to-face
 - Customers walk through your door seeking your expertise

Provide the Best Customer Service

► Price Matching

- It's a marketing gimmick and not as expensive as you think
- Only 6% of shoppers are willing to leave the store



What Can Amazon Teach Us?

What Can Amazon Teach Us?

▶ Do Something with Shipping

Proposed minimum cart value – average order value = X

X * Gross Profit = Y

Y – Average shipping costs = Z

If Z < 0, then the threshold is typically not fiscally smart

▶ Sales by Customer Report

- Reports > Sales > Sales by Customer

Report Preview

Zoom

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Uniforms USA

Page 1

Sales By Customer

February 1, 2015 through February 26, 2018 - Only WebStore - Sorted by Name

Name	# of Invoices	Average	Discount	Cost	Net Sales*	Total
Baylor Medical Center	2	71.13	17.10	71.25	131.40	142.25
Burger, Blake	1	28.25	2.90	14.50	26.10	28.25
Total Report	3	56.83	20.00	85.75	157.50	170.50

► Shipping Calculation Break Down

- Proposed Minimum Cart Value: \$59
- $\$59 - \$56.83 = X$
 - $X = \$2.17$
- Gross Profit Margin = Net Sales – Cost/Net Sales
- $\$157.50 - \$85.75 / \$157.50 = \text{Gross Profit Margin}$
 - Gross Profit Margin = 45%**
- $\$2.17 \times 45\% = .998$ or 1
- Average Shipping Costs from the Last 90-days = \$4
- $\$1 - \$4 = -\$3$
 - Offering Free Shipping at \$59 is *not* fiscally responsible

Scenario Two:

Offering free shipping at **\$69**
is fiscally responsible

rt Preview
HW Zoom

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SCENARIO TWO

MINIMUM CART VALUE - AVERAGE ORDER VALUE = X
 $\$69 - \$56.83 = \$12.17$

X = \$12.17

X * GROSS PROFIT MARGIN = Y
 $\$12.17 * .46 = \5.60

Y = \$5.60

Y - AVERAGE SHIPPING COSTS = Z
 $\$5.60 - \$4.00 = \$1.60$

Z = \$1.60

OFFERING FREE SHIPPING FOR ORDERS \$69 AND ABOVE
IS FISCALLY RESPONSIBLE

What Can Amazon Teach Us?

- ▶ A Personalized Experience = Increased Purchase Amount
 - How many times?

Frequently bought together



The image shows an Amazon product recommendation section titled "Frequently bought together". It features two product images: a white quilted comforter on a bed and a stack of white bed sheets. A plus sign is between the images. To the right, the total price is listed as \$54.69. Below the price are two buttons: "Add both to Cart" and "Add both to List". At the bottom, there are two checkboxes with item details and prices:

- ☒ **This item:** LINENSPA All-Season White Down Alternative Quilted Comforter - Corner Duvet Tabs - Hypoallergenic... \$29.99
- ☒ Mellanni Bed Sheet Set - Brushed Microfiber 1800 Bedding - Wrinkle, Fade, Stain Resistant... \$24.70

- ▶ Using Your Expertise you can create the same experience

**You Can't Compete with Amazon, and
Honestly... You Don't Want To.**