

3rd Power Outlet

Revamps ChannelAdvisor Store to Exponentially Grow Profits

Company Overview

John Lawson left his job as a telecommunications consultant and founded 3rd Power Outlet in 2002. When a joint venture with another business went sour, Lawson looked to eBay profits to help pay off a large mortgage. Five years later, his online urban outfitter business is now a Platinum PowerSeller.



Shipping over 100 packages a day and generating over 2,000 feedbacks a month, Lawson is an eBay Certified Education Specialist and he and his partner have left corporate America behind for good. Selling high quality hip hop gear at everyday low prices, 3rd Power Outlet offers an extensive collection of fashionable hip hop jewelry, beanie hats, an assortment of hip hop clothes, a selection of bandanas and CZ jewelry – just a few of his top sellers.

ChannelAdvisor Solutions:

Product: Premium Marketplaces, Stores

ChannelAdvisor Complete® helps the world sell online with applications that enable retailers to efficiently distribute their products across multiple online channels, drive shoppers to those products and then convert those shoppers into customers.

A powerful part of the ChannelAdvisor Complete platform, Premium Marketplaces helps retailers sell more and spend less on sites like Amazon, Buy.com, eBay, Pixmania and Trading Post. By allowing online retailers to focus on growing their business, Premium Marketplaces automates the tedious tasks of e-commerce from product distribution to post-sale. Get more products in the right places and reach over 140 million buyers with ease.

Stores make it easy for single channel retailers to up sell products from eBay stores to their own websites and cross promote products over multiple marketplaces by merging across-the-board efficiencies with the ability to extend their brand to a broader audience. Best of all, it's free to Premium Marketplaces customers.



Location: Stone Mountain, GA
URL: www.3rdpoweroutlet.com
Industry: Urban wear and accessories

“Our business has grown tremendously year over year with ChannelAdvisor playing a large part in our success. The proper support to help grow our business, together with the right solution, really made all the difference.”

- John Lawson
 President, 3rd Power Outlet

Situation

After becoming disenchanted with two other competitor's products, 3rd Power Outlet launched Premium Marketplaces in 2005. Their eBay business saw immediate benefits and continues to grow year over year. But it wasn't until October 2007 -- just in time for the holidays -- that Lawson got serious about designing 3rd Power Outlet's ChannelAdvisor Store, a free product to Premium Marketplaces customers.

"That's when, as ChannelAdvisor CEO Scot Wingo likes to say, we decided to 'take off the training wheels'," Lawson explained. First, he posted to an online merchant publication's forum to get some suggestions on improving his Store's design. Then Lawson set out to modify his store by implementing the feedback, some good and some bad; but all of it well-received.

Solution

Many of the comments that Lawson collected about 3rd Power Outlet's Store actually complimented the old design. To him, this meant he didn't need to start from scratch, but could continue to build on a good foundation and make it better. Initially, he laid out two directives: Keep his current logo and branding colors; and, depart substantially from his previous design template.

The flexibility of the ChannelAdvisor Store allowed Lawson to make changes that improved search engine optimization (SEO) results and increased conversion rates from traffic generated with Google Adwords by more than 25 percent. Lawson can easily modify the home page and the header for promotions or holidays without having to do a lot of reformatting. The changes have infused a strong brand message on every page.

Not only have the new enhancements helped buyers quickly see and buy what they are looking for, but according to Lawson, they've made tracking ad performance less time-consuming. And the overall look and feel of a professionally designed Store has helped command higher prices and more buyers, helping him keep pace with the competition. "One thing is for sure, if you're not constantly moving forward, you are dying," said Lawson. "There is no such thing as floating in online retail, you have to be constantly changing and improving. I do not advocate chasing every new fad, but retailers do need to tweak their online presence at least twice a year to stay current."

Results

Sales increased by 30 percent even before any "new store" emails were sent or any additional marketing. Prior to 3rd Power Outlet's store redesign, Lawson said he saw only a handful of multiple item orders. Now, multiple item orders have climbed, increasing by more than four times. 3rd Power Outlet is now capturing customer information as well. This valuable information will be useful for growing their repeat buyer base. Additionally, Lawson's store revenue per sale is five times higher than his average eBay sale.

"My guess is that customers who are browsing sites are less likely to buy from a 'mom-and-pop'-looking Web store, even if they see an item of interest," said Lawson. "The ChannelAdvisor Store allowed me to design a site that I am extremely proud of. It does not look like a cookie-cutter Web page that you can buy online, it's a professionally designed customer store unique to 3rd Power Outlet... mission accomplished."

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ABOUT CHANNELADVISOR ChannelAdvisor helps the world sell online with applications that enable retailers to efficiently distribute their products across multiple online channels, drive shoppers to those products and then convert those shoppers into customers. The ChannelAdvisor platform empowers retailers to distribute their products across multiple online marketplaces, comparison shopping sites and search engines. With application features such as keyword generation, to in-depth reporting, to our merchandising engine, retailers gain the tools they need to easily fine tune and analyze their marketing efforts to drive more shoppers to their products. Rich media offerings and storefront applications enable retailers to provide an engaging online shopping experience that represents their brand and is optimized to convert shoppers into customers. In 2008, ChannelAdvisor managed over \$2.6 billion in gross merchandise value (GMV) on behalf of leading retailers around the world including GSI Commerce, Brookstone, Abebooks and Motorola. www.channeladvisor.com