

ECOMMERCE NEWS

SEPTEMBER – OCTOBER 2024

BY

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Foreword



“In the middle of difficulty lies opportunity,” said Albert Einstein. And what’s more captivating than stories of businesses seizing these opportunities and rising from the ashes?

Over the past two months, I’ve looked at remarkable success stories like Abercrombie’s—a company that went from “most hated retailer” to a major comeback story. On the other hand, I’ve also looked at businesses currently facing challenges, such as dollar stores.

Another fascinating topic is the critical role of marketplaces in the ecommerce world. Every decision made by marketplace operators or by local regulators now affects millions of small businesses.

As I’ve mentioned before, marketplaces are now competing harder than ever to retain both customers and third-party sellers. This report explores potential changes to the de minimis rule and the complexities marketplaces face in creating fair policies for third-party sellers.

As always, I hope you enjoy reading this report as much as I enjoyed writing it, and please feel free to contact me if you have any questions or suggestions.

François Maingret

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SEPTEMBER 2024

FROM MOST HATED BRAND TO SUPERSTAR RETAILER

AN OVERVIEW OF ABERCROMBIE & FITCH'S DIGITAL PRESENCE

If I had a time machine, I'd go back to just two years ago, Q2 2022, and buy ANF stock when it was still under \$20. Now, it's hovering around \$150, and some analysts are calling it the "comeback of the decade." In 2016, the brand was considered "America's most hated retail brand" by the American Customer Satisfaction Index. So, how did the company rise from the ashes to become a major success today?

I'm convinced that part of the answer lies in their digital strategy. Samir Desai, Chief Digital and Technology Officer, said, "The Abercrombie and Fitch Company business through COVID saw their business become 50%, almost 60% digital, so a big spike in digital." As we'll see in this brief overview, the company is doing a lot of things right. Let's review their sales channels, policies, and marketing initiatives.

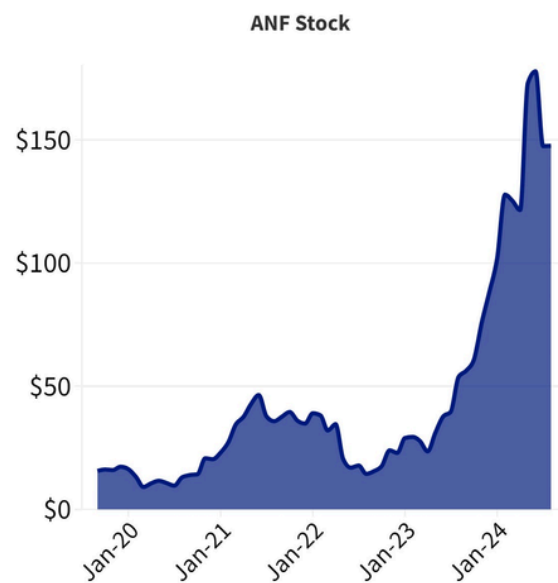
OVERVIEW OF ANF AND Q2 2024 PERFORMANCE

Before looking into the brand's impressive results, let's take a moment to look at the brand's history and its recent strategic shift. Abercrombie & Fitch is an American retailer known for its casual, preppy clothing targeting young adults. Founded in 1892, the brand gained popularity in the late 1990s and early 2000s for its exclusive image. At that time, A&F was all about the "cool, attractive kids," with dimly lit stores, shirtless models, and loud music. I can still remember the overpowering cologne that was constantly sprayed around the store. However, this approach began to alienate customers as they started expecting more authenticity from brands.

In recent years, A&F has completely rebranded, moving away from its controversial image. The company focused on inclusivity, modernized its product offerings, and adopted a more diverse marketing strategy. This includes using real customers in campaigns and promoting comfort and versatility in its clothing lines. Additionally, and what matters to us in this article, A&F has improved its ecommerce presence and digital shopping experience, which has helped the brand reconnect with a broader audience and stay relevant in a competitive retail industry.

And this plan seems to be paying off: The stock has surged about 89% so far in 2024, following an even more impressive performance in 2023.

According to Dana Telsey, analyst at Telsey Advisory Group, "While the market may have been looking for a stronger guidance lift for the year, given momentum across the business, we see a beat and raise as impressive given a moderating top-line outlook in response to a choppy macro environment across many of Abercrombie's specialty retail peers." Sales of the A&F brand increased by 26% in Q2 2024, and by 17% for its Hollister brand. The company expects an annual increase of 12% to 14%. However, Abercrombie CEO Fran Horowitz now warns of "an increasingly uncertain environment."



I have no doubt that the company's efforts in increasing their ecommerce sales contributed to this performance. A&F CFO Scott Lipesky explains, "Digital has been doing well in double-digit comps we're seeing across channels [...] Day in, day out, we are making investments in that experience across apps, across mobile web. And we are seeing that come through."

So, what's A&F's secret to generating more online sales? Is it purely the product that is more attractive to customers, and mechanically increased online sales?

And could there be room for improvement? Let's look at a few key aspects of their online business and see what the brand is doing right.

“

“Digital has been doing well in double-digit comps we’re seeing across channels [...] Day in, day out, we are making investments in that experience across apps, across mobile web. And we are seeing that come through.”

Scott Lipesky, A&F CFO

SALES CHANNELS MIX

It looks like A&F primarily operates through their direct-to-consumer (DTC) website and app, but some of their items can also be found on marketplaces. Let's quickly cover these alternative channels before analyzing A&F's own channels.

MARKETPLACES

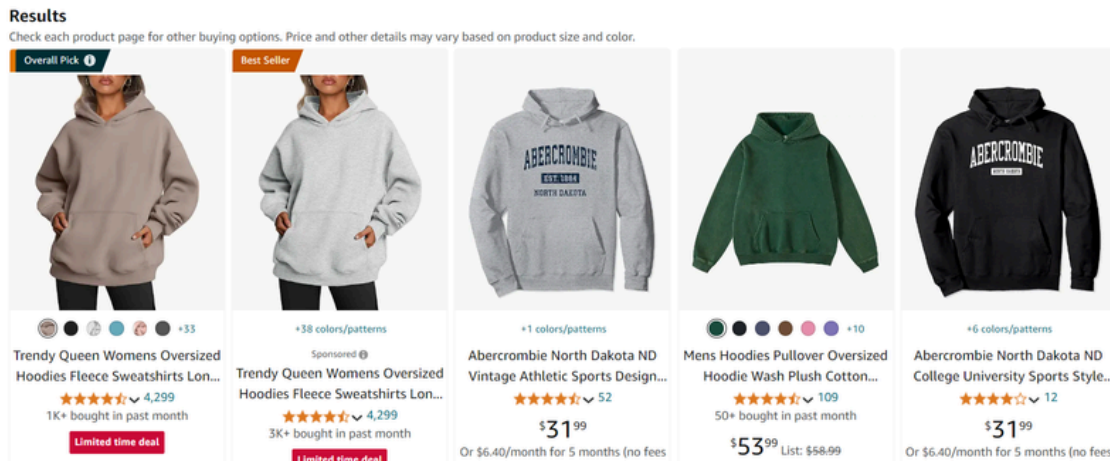
When looking at the top marketplaces (excluding resale of used items on eBay or Vinted), it appears that A&F clothes are not listed—only their perfume and cologne are available. I see this as a positive: the brand aims to position its products as “entry-level luxury,” so it's better for them to maintain control over the entire customer shopping experience.

This way, they avoid the risk of sellers listing counterfeit or damaged items and potential customer service issues that could harm the brand. Additionally, A&F's brand is strong enough to generate significant product searches off Amazon, allowing them to collect more data on their customers and offer a more tailored shopping experience. It was a smart move to have Amazon sell A&F gift cards, as this drives traffic from Amazon to the retailer's own site.

I still think A&F should register their brand on Amazon and Walmart Marketplace—not to list their products and sell directly, but to have control over existing content. The listings for their colognes are controlled by third parties, and I believe it would make sense for the brand to manage these pages.

When searching for “Abercrombie & Fitch Hoodie,” I don’t find their items, but I do see a brand with a similar aesthetic to some of their older collections.

I wonder if this is an IP violation, but it could pose a problem, albeit nothing too serious. I didn’t see anything like that on Temu or Shein, fortunately.

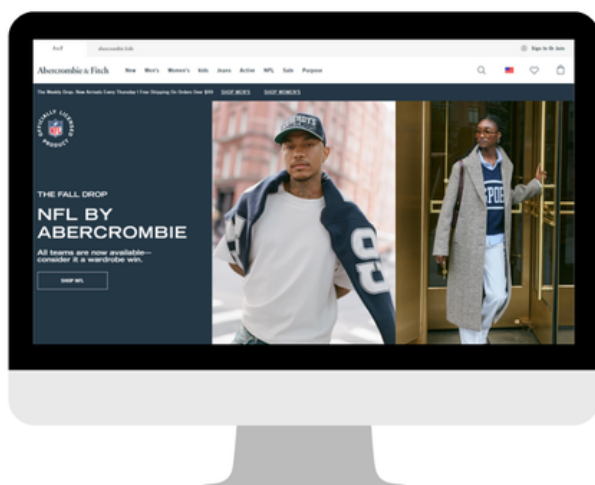


Amazon results for “Abercrombie Hoodie”

Overall, A&F’s strategy regarding marketplaces is consistent, and I don’t think they should sell on Amazon or Walmart, as it wouldn’t align with their brand image.

A&F DTC WEBSITE

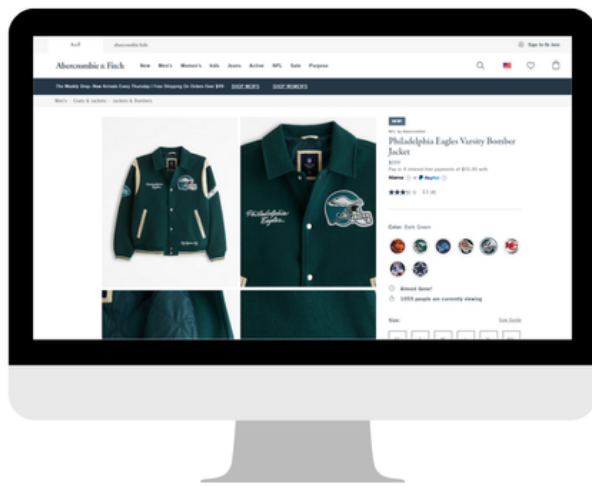
I won’t dissect every element of the UI of abercrombie.com, but I’d like to highlight a few key aspects. And let me tell you, I’m very impressed with what their team has achieved.



The website is overall clear, easy to navigate, and the aesthetic perfectly fits the brand, in my opinion. It’s easy to find the items I need, and the homepage does a great job of showcasing recent products, current deals, and other relevant information. Bonus points for the banner informing customers about the threshold for free shipping.

The product pages are just as good as the homepage. They offer clear navigation, with all relevant information easily accessible (size charts, shipping and returns info, details on materials used, etc.), and engaging visuals with a good mix of product and lifestyle pictures.





Product Page

The shipping policy seems coherent, although the various delivery options can be a little confusing. There's standard delivery, two-day, next-day, and sometimes same-day delivery available at different price points. I tend to prefer when retailers display specific dates rather than just how long it takes.

<p>Standard For most orders, allow 4-9 business days for delivery. Some areas can take up to 14 days for delivery. Gift Card Only Orders Ship Free</p>	\$7
<p>Two Day Order must be submitted before 12:00pm EST Monday-Friday \$7 for Gift Card Only Orders</p>	\$15
<p>Next Day Order must be submitted before 12:00pm EST Monday-Friday \$10 for Gift Card Only Orders</p>	\$22
<p>Same Day Delivery* Orders must be submitted 4 hours before the Fulfilling Store's Closing *Delivery Address must be within service distance of Fulfilling Store *All items must be available to be fulfilled by the same Store</p>	\$10

The returns policy makes sense: a 30-day timeframe and a \$7 fee for the return label. A&F makes good use of their stores, offering free in-store returns, which can drive foot traffic and increase customer lifetime value. I'd like to see the company offer the first return for free (it's often difficult to pick the right size when ordering clothes from a brand for the first time), but overall, this policy is reasonable. Speaking of their stores, A&F allows customers to check an item's availability at specific locations—a great example of providing a solid omnichannel experience, which is crucial for brands like this.

Returns must be made within 30 days for refunds to process to the original form of payment.

In-Store

- Return to an eligible store for a refund to be credited to the original form of payment.
- Bring your merchandise in its original condition.
- Show your ship confirmation email or invoice.

Online

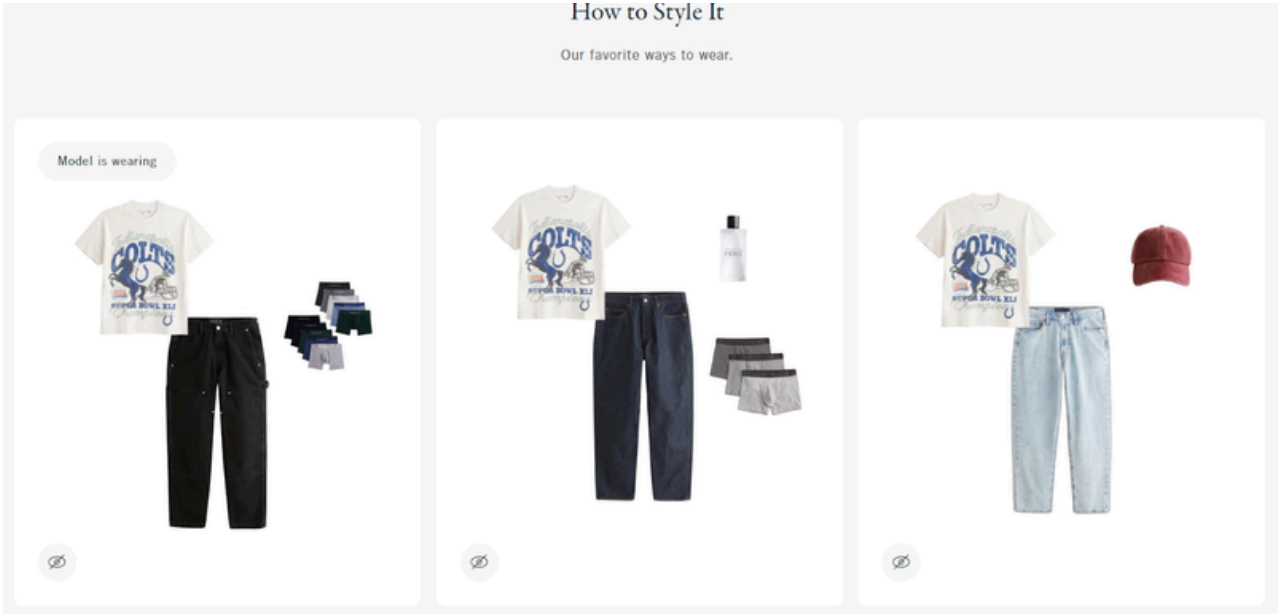
- Start your return online and use the emailed return label to send your merchandise back. A fee of \$7.00 will be deducted from your refund for the use of this label.
- You will receive an email confirmation upon our receipt of your return package.
- Returns must be made within 30 days for refunds to process to the original form of payment.

For further details and our In-Store Purchase Return Policy, see our [Return & Exchange Policy](#).

Extracts from A&F Shipping and Return Policies

The “How to style it” section has become wildly popular in the fashion industry, and for good reason—it’s a great way to cross-sell products.

I believe A&F could take it a step further by incorporating personalization and/or more engaging visuals, such as lifestyle images.



The reviews page is clean, seems authentic, and contains all the information relevant to the customer. I appreciate seeing user-generated content (UGC) and customers uploading pictures of themselves wearing the clothes, though I understand it might not fit within A&F’s website aesthetics. Perhaps a compromise could be made, where the brand selects which pictures to display on the site.

It might reduce some authenticity, but it still shows the clothes on regular people in a regular environment. Finally, the “Purpose” page is well-designed, easy to read, and conveniently displays a lot of real initiatives the brand is taking. However, it looks a bit too polished and might feel more authentic with some videos of the people involved.



ABERCROMBIE AND FITCH APP

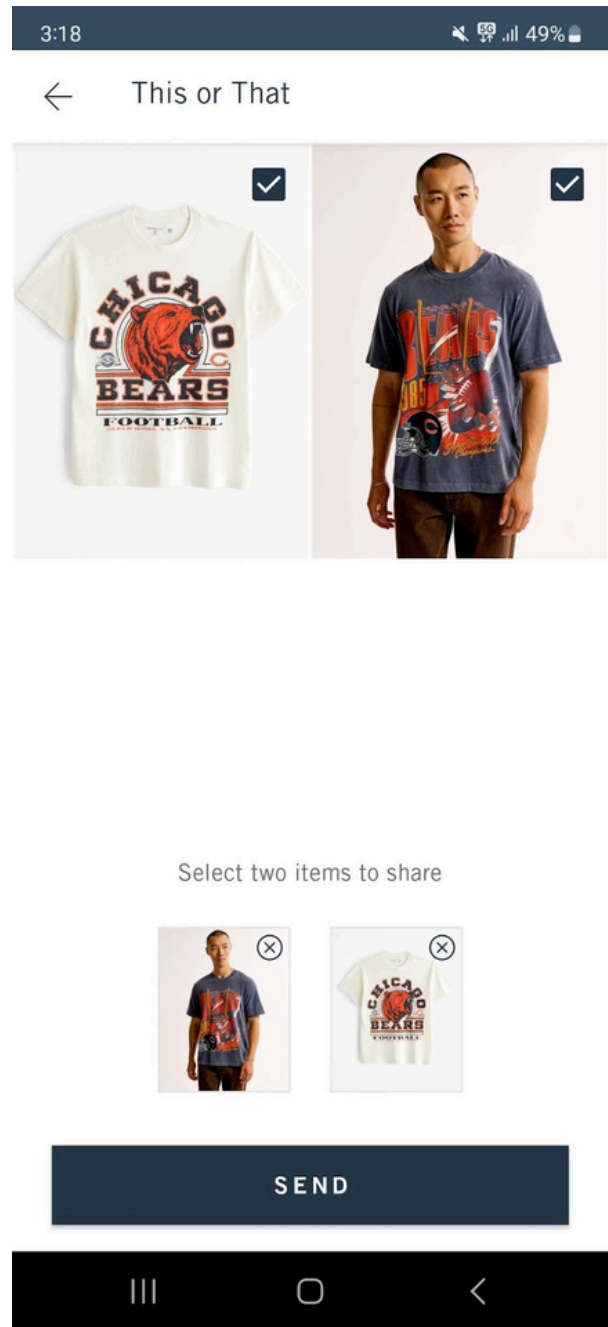
I downloaded the A&F app, and it's just like their website: clear navigation and an aesthetic that fits the brand. The app crashed once, but other than that, it was easy to find the same content I found on my desktop. I also saw personalized recommendations relevant to my browsing history and the items in my cart, making for an enjoyable shopping experience.

Mobile drives a lot of revenue, especially among A&F's target demographic. It's no surprise that the company has invested in it. I'd like to highlight two innovative features that A&F has introduced.

The first is called "This or That," which allows users to pick two items in the app and send them to friends to ask for their opinion. I'm not sure about the adoption rate of this feature, but it seems like a relatively simple implementation that fits well within the app.

The second example is more significant and impactful. Samir Desai explains it well in an interview posted on the NRF website:

"One of the pain points we observed earlier on with our Hollister brand was that, you know, the primary target customer is a high school teenager. They love browsing our app. They look at product, but then they don't have a credit card to buy.



And so, they kind of hit a wall and they're not able to transact. So they take screenshots, they text their parents, and there's a lot of this offline activity (offline meaning off of our app activity) that's happening.

We thought, how do we make this process seamless? So, we launched this feature that we call share-to-pay.

the parent receives a link, opens it, looks at the items, and they can edit the bag if they like. They can remove items, add new items, and they can pay for that purchase. It's been a wonderful feature and it's been a big success for us."

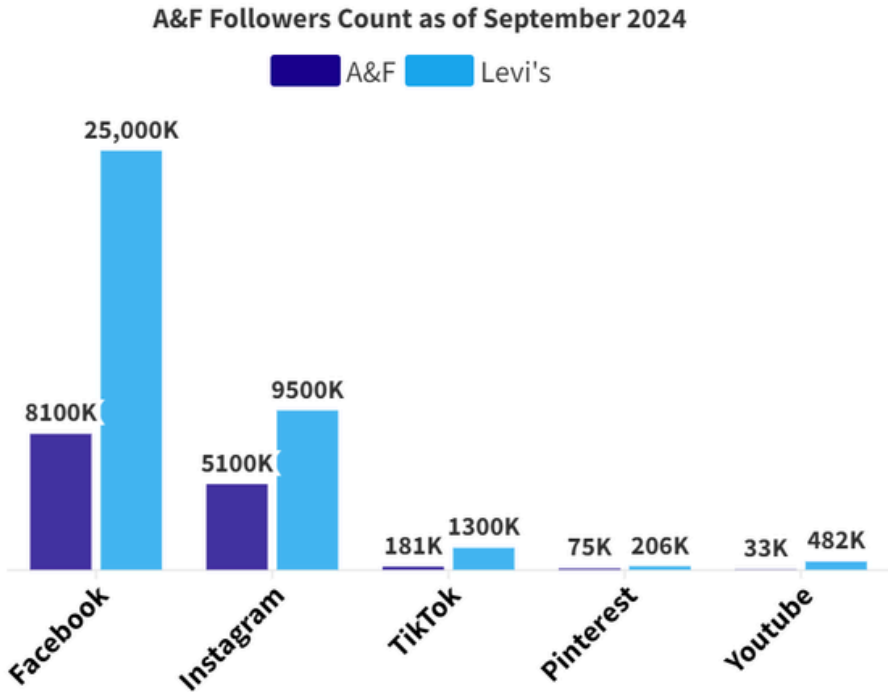
I found this innovation very clever and relevant to Hollister target demographics needs. Overall, I think the app is as good as the website, and I can see why customers may enjoy using it to shop.

SOCIAL MEDIA AND DIGITAL MARKETING

I'm not a social media expert, but it's interesting to compare A&F's follower count across various platforms.

When I look at Levi's (which I wrote about in July), it's clear that A&F is behind, especially on TikTok. Both brands started posting on TikTok at the same time, yet Levi's has significantly more followers and engagement.

I wonder why that is. My guess is that Levi's appeals to a broader audience, and A&F has only recently seen a massive increase in revenue. I also find Levi's content more engaging and less sales-oriented, though that's just my opinion. If someone with more experience in this field could shed light on A&F's social media strategy, I'd be interested to hear it.



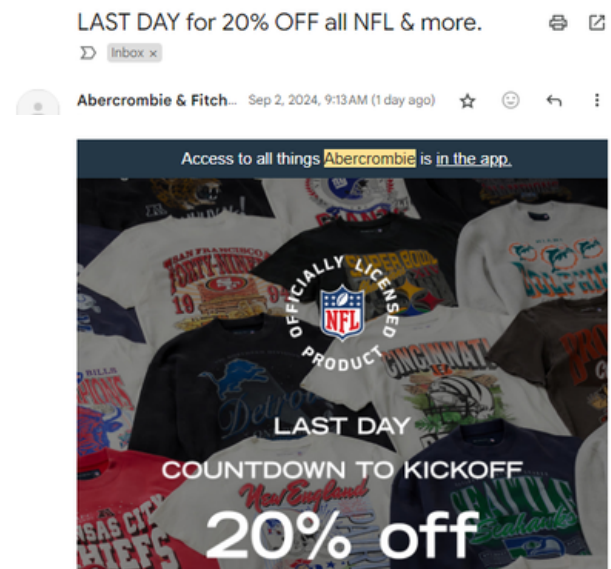
That said, it's clear that A&F's social media content aligns with their rebranding efforts. The company has moved away from its old image of exclusivity and shifted towards inclusivity, diversity, and body positivity. Their posts now showcase a wide range of models and customer stories, featuring diverse body types, ethnicities, and backgrounds. A&F is communicating its new values: self-expression, individuality, and authenticity.

The brand maintains a clean, modern aesthetic that fits with their updated image and appeals to their target demographic of young adults. They actively encourage customers to share their own content and collaborate with influencers. While I think there's still room for improvement in terms of authenticity, they're doing a good job overall. I also believe A&F could strengthen its social commerce efforts. While I understand why they avoid listing products on Amazon or Walmart.com, stepping up their social commerce game wouldn't hurt their brand and could reduce some friction in the shopping experience.

Like many brands, Abercrombie uses email marketing with daily emails. These emails are fairly standard and look similar to what other brands send. I do appreciate the reminders to use their app, but I think A&F could benefit from more personalization (if they aren't doing so already) and highlighting their best deals directly in the emails.

CONCLUSION

I believe Abercrombie & Fitch's impressive comeback in recent years is largely due to their repositioning, combined with a well-executed digital strategy.



Example of A&F marketing emails

Their shift to a more engaging online presence has paid off, as evidenced by the significant growth in their stock and revenues. With over 50% of their business now digital, A&F clearly understands the importance of ecommerce.

While I see some areas for improvement, for example regarding authenticity, I think the brand has done exceptionally well and remains highly relevant in 2024. Ultimately, this success wouldn't have been possible without their successful rebranding and relevant product offerings. I'm impressed with A&F's innovations in ecommerce and will continue to follow their progress closely.

<https://www.cnbc.com/2024/08/28/abercrombie-fitch-anf-earnings-q2-2024.html>

<https://www.reuters.com/business/retail-consumer/abercrombie->

<https://nrf.com/blog/inside-digital-transformation-abercrombie-fitch>

CHANGES ON THE DE MINIMIS RULE

Who are the Winners and Losers?



Is this the end of \$0.50 funny cat socks and \$5 disposable dresses? There's been a lot of buzz over the last year about the de minimis rule, which has been exploited by companies like Shein and Temu. Now, the Biden-Harris administration is pushing for new regulations.

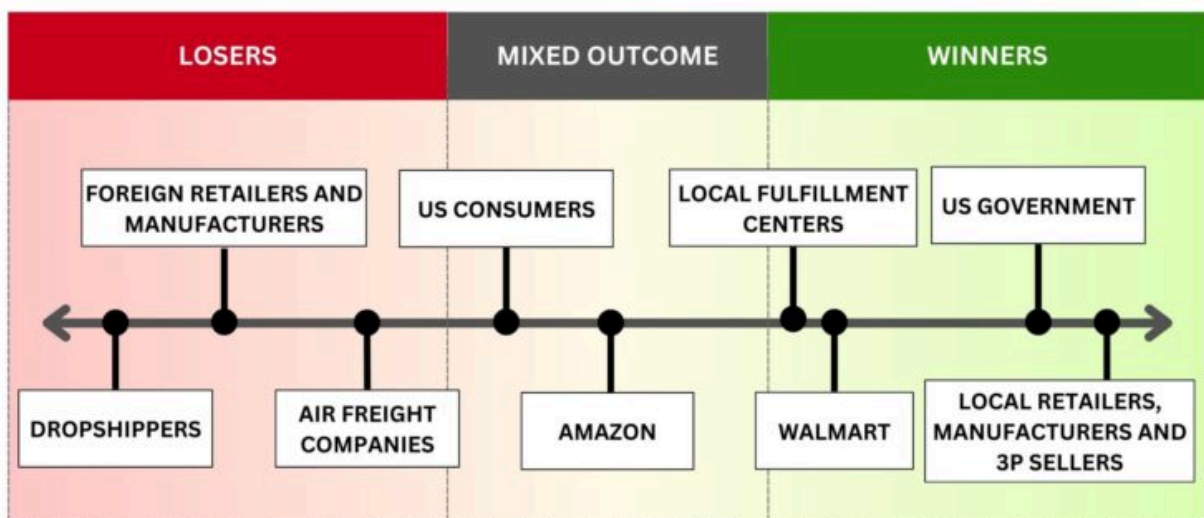
It seems like a direct jab at the two Chinese giants, but these changes would affect a lot more players. How bad could it be for Temu and Shein? And who will lose or benefit from the elimination of the de minimis rule? Let's find out.

THE NEWS : POTENTIAL CHANGES ON THE DE MINIMIS RULE

In recent news, the Biden-Harris administration has plans to reform the de minimis exemption. They want to limit the types of goods eligible for this rule and increase shipment information requirements. These changes would block certain products from benefiting from the exemption and demand additional details like tariff classification numbers and compliance certificates. This comes in response to growing concerns about how the de minimis rule is being used by foreign companies—especially Chinese giants Shein and Temu—to avoid tariffs on low-value imports.

Section 301 tariffs (impacting around 40% of U.S. imports) would now prevent these products from using the de minimis exemption. The administration is also urging Congress to pass legislation, especially for industries sensitive to imports, like textiles and apparel. Key organizations such as the Retail Industry Leaders Association are backing these reforms. Additionally, the administration needs to address illicit shipments like fentanyl imports. While regulators have introduced several bills over the years to reform the rule, none have passed yet. The de minimis rule has been around for almost a century, but its use has skyrocketed with the rise of major Chinese online retailers.

De Minimis Rule Update - There Are Clear Winners and Losers



fmaingret.com

THE LOSERS

FOREIGN RETAILERS AND MANUFACTURERS

Obviously, if foreign retailers like Temu and Shein—though they aren't the only ones—had to pay import taxes (currently around 12%) when shipping to the U.S., it would hit their revenues and margins. Changes to customs regulations could also disrupt supply chains, creating delays that would affect these retailers.

Does this mean the end of Shein and Temu in the U.S.? Not exactly. Even with a 12% import tax, these companies would still be price competitive. If they pass on the cost to customers, they might lose some, but they'll likely remain cheaper than other retailers, even those selling on platforms like Amazon. Plus, both companies are diversifying their operations and supply chains, opening fulfillment centers and factories outside of China, including in the U.S.

AIR FREIGHT COMPANIES

If new regulations cause a drop in shipment volumes from China to the U.S.—either due to reduced sales or shifts in fulfillment methods—air freight companies could see lower volumes and lower rates. According to a Forbes report in May, Temu and Shein ship about 9,000 tons of air freight daily from airports in southern China, which is the equivalent of 88 Boeing 777 flights. Though rates have dropped a little recently, they're still double what they were in 2019.

US CONSUMERS

Even though some reports say consumers feel better about the economy, many are still struggling and are attracted to Temu and Shein's low prices. Even high-income households shop with them, but those with less disposable income could start cutting back if prices rise in response to new regulations.

On the other hand, tighter rules could reduce safety risks and limit the distribution of illicit products. It might help for example the U.S. Customs and Border Protection intercept packages containing chemicals used to make fentanyl. Safety concerns have also been reported during manufacturing, with tests in South Korea finding that some Shein shoes exceeded legal limits for harmful chemicals, including a pair that had 229 times the legal limit for phthalates.

DROPSHIPPERS

Overall, I think those who will lose the most if there are changes on the de minimis rule are dropshippers who source their product in China. They were already struggling with low profit margins and higher acquisition costs, mostly due to pressure on price from companies selling directly through Temu or Shein. This change could be another nail in the coffin and make their model even less sustainable, unless they are operating within extremely specific niches that do not compete with large DTC brands or marketplace.

THE WINNERS

LOCAL FULFILLMENT CENTERS

Removing the de minimis loophole could cause two things: 1) Local companies might become more competitive if Chinese sellers raise their prices, and 2) Chinese sellers might start fulfilling orders from local fulfillment centers rather than shipping directly from China. This would create opportunities for local 3PLs and other supply chain businesses involved in local distribution.

THE US GOVERNMENT

In addition to supporting local retailers and manufacturers, removing or limiting this loophole would allow the U.S. government to collect tariffs on a greater volume of imported goods. This could result in hundreds of millions of dollars in additional revenue annually, as more products would be subject to import taxes. Many products entering under the de minimis rule bypass customs checks, and changing this rule could make it easier for customs to detect unsafe or counterfeit items.

WALMART

If the U.S. eliminates the de minimis rule, this could be good news for Walmart as the price gap between its products and those from Temu and Shein could narrow. On the ecommerce side, Walmart doesn't rely on goods shipped directly from China via small parcels, and these changes could make its marketplace more attractive to customers and 3P sellers.

LOCAL RETAILERS AND MANUFACTURERS

Local retailers and manufacturers could also gain if Shein and Temu raise their prices. This would help level the playing field, boosting domestic competitiveness. However, I still think local businesses will likely still be at a price disadvantage, though more U.S. consumers could turn to buying locally-made products.

MIXED OUTCOME : AMAZON

In recent years, Amazon made it clear that they see Temu and Shein as a threat. And any regulation that could slow down these companies is a net benefit for Amazon. The giant relies on 3P sellers and local inventory to fulfill orders, which do not fall under the de minimis loophole. Retaining enough 3P sellers is key for Amazon and higher prices from Shein/Temu could help these sellers remain competitive.

On the other hand, this idea could speed up the implementation of alternative ways for Chinese retailers to distribute goods in the US. For example, Temu working more and more with local fulfillment centers could mean the company will drastically reduce their delivery times, one of Amazon's greater strengths. Also, Amazon recently started to experiment with selling items directly from China, and changes in regulations could impact them as well on this new side of their business.

CONCLUSION

The proposed reforms to the de minimis exemption clearly target Shein and Temu, but they also affect other companies that use the rule to avoid tariffs on low-value imports. Removing the exemption and requiring more shipment information would impact both international and local retailers, U.S. consumers, and supply chain businesses.

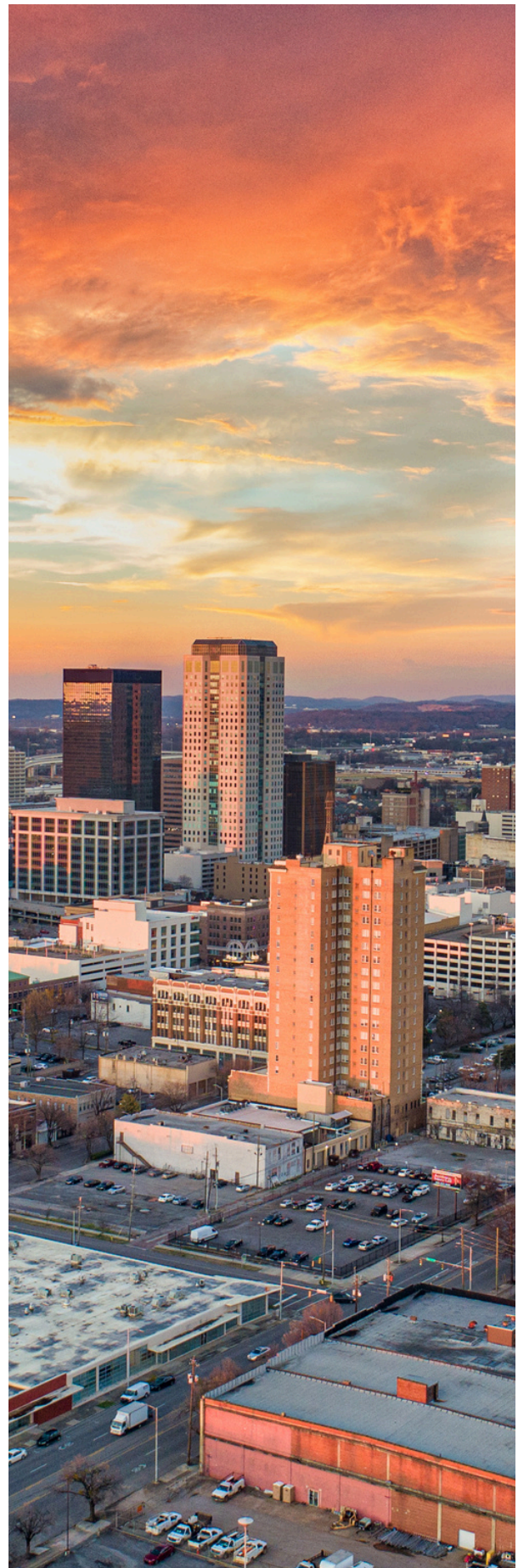
While foreign retailers might face higher costs, I don't believe this will be the end for them. In fact, it might push them to expand their U.S. operations. At the same time, the U.S. government would benefit from increased tariff revenue, though consumers might see higher prices.

Air freight companies could lose out, and for Amazon, the outcome remains uncertain as this may trigger changes in Temu and Shein's business models.

<https://www.cnn.com/2024/09/13/de-minimis-shein-temu-biden-china-rules.html>

<https://www.supplychaindive.com/news/biden-harris-de-minimis-rulemaking/726955/>

<https://inc.com/bruce-crumley/sales-boom-for-shein-temu-sends-air-freight-rates-soaring.html>



IS TEMU KILLING DOLLAR STORES?

WHY ARE DOLLAR STORES STOCK PRICES CRASHING

When I first heard about Temu, my initial thought was about how unsustainable the model seemed. But my second thought went to dollar stores: How could they compete with a website that makes it easy to find thousands of even cheaper items and have them delivered directly to your home, instead of having to search through the aisles of these stores?

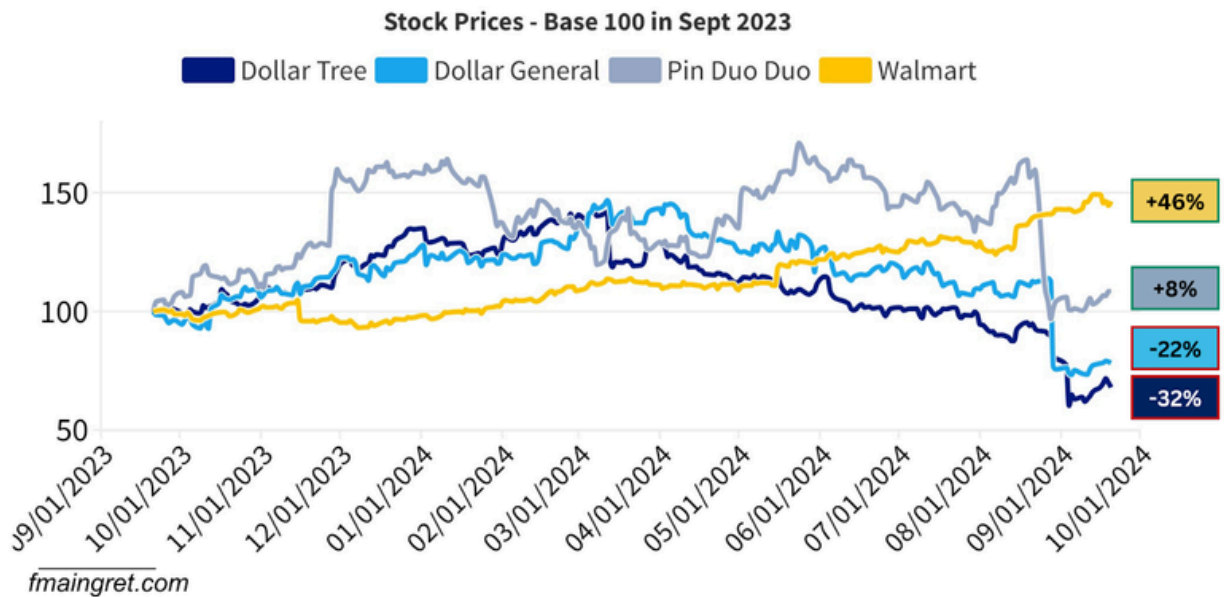
Having recently read about Dollar Tree and Dollar General's stock prices dropping significantly in the last quarter, I immediately wondered if competition from Temu and Shein was too much for these companies. Was my assumption correct, or is the situation more complex? Let's see what's happening with dollar stores and see if Temu is responsible for the drop in their stock prices. Then, I'll quickly review what I observe on the digital side of these companies.

WHAT HAPPENED TO DOLLAR STORES?

Looking at stock prices, Dollar Tree declined by 32% YoY and close to 50% YTD. It isn't much better for Dollar General, with -22% YoY and -38% YTD.

Some other chains are in worse shape. I'm thinking of 99 Cents Only, which went out of business (although many locations will be turned into Dollar Trees).

Dollar Stores Stock Prices Declined Year-over-year



So, what happened to these stores? According to their executives, the macro environment and changing customer behavior are to blame, with more Americans cutting down on basic items.

Dollar General CEO Todd Vasos stated, "Inflation has continued to negatively impact these households, with more than 60 percent claiming they have had to sacrifice on purchasing basic necessities due to the higher cost of those items." He also mentioned that the largest segment of the company's consumers are households with incomes under \$35k a year.




"Inflation has continued to negatively impact these households, with more than 60 percent claiming they have had to sacrifice on purchasing basic necessities due to the higher cost of those items"

Todd Vasos, Dollar General CEO

Dollar store executives also recognize that even customers with higher household incomes (\$125k and up) are cutting down on non-essentials, such as party supplies. Dollar Tree COO Mike Creedon noted that the company was “navigating through one of the most challenging macro environments” it has faced.

While executives are blaming the economic environment, could there be other reasons why dollar stores are underperforming? I read dozens of comments in a Daily Mail article (linked below) to get an idea of what customers think about dollar stores.

 **Betwixt-Between_112** ...
EARTH, United States · 8 September, 2024
Exactly! We don't have a grocery store near us but there are many Dollar Stores around. I order groceries for the week to avoid shopping in these stores as it costs too much.
[Reply](#) · [Share](#) ↑ 159 ↓ 7

Comment on the Daily Mail article (link below)

Two recurring themes in the comments were pricing/locations and the in-store experience. Dollar stores tend to be popular in rural areas with few options, and many customers seem to believe these chains are overcharging for food. Some report going there only when they can't or don't want to drive to the nearest Walmart. Others question the high density of dollar stores in their area.

The other theme is the in-store experience. Customers report messy stores, with empty shelves and boxes scattered all over the store. Some even question the working conditions and pay of the employees.



“Family Dollar’s sales have been sputtering, hurt by neglected stores, poor product selection, and unhappy workers.”

The Wall Street Journal -
2018



Comment on the Daily Mail article (link below)

I'm not sure about the working conditions in these stores, but I have seen many discussions about the store experience. Retail experts like Walter Holbrook frequently mention dollar stores' struggles with keeping shelves stocked.

This isn't a new issue. The Wall Street Journal reported in 2018 that "Family Dollar's sales have been sputtering, hurt by neglected stores, poor product selection, and unhappy workers."

Earlier this year, Family Dollar was ordered to pay \$41.6 million after using a rat-infested warehouse to distribute products, including food, to over 400 stores in the South.

Finally, many experts and executives report that competition from Walmart poses a challenge for dollar stores, especially on basic items.

Todd Vasos admitted that Walmart has been "doing a pretty nice job" in attracting bargain-hunters. This is particularly difficult for dollar stores, as Walmart has a strong presence in the areas where dollar stores operate.

IS TEMU KILLING DOLLAR STORES?

So, is it all Temu's fault? No one can ignore the size of the Chinese giant and the impact it's had in the U.S.

From Super Bowl commercials to digital ads everywhere, Temu quickly gained market share. And to be honest, I expected its entry into the U.S. market to be rough for dollar stores. But before I give my opinion on its role in dollar stores' struggles, let's quickly go over what Temu and dollar stores have in common and how they differ.

What attracted customers to Temu is obviously the extremely low prices on a wide assortment of items. Low prices are also key to dollar stores' value proposition; it's even in their name. Temu and dollar stores both offer a wide range of low-cost products across categories like household goods, beauty, and electronics.

As a result, both focus on high volumes rather than high margins. Another thing these two models have in common is that they've both faced several controversies and frequent complaints. Dollar stores have been criticized for limiting access to fresh food and allegedly underpaying employees. Temu faces concerns over data privacy, counterfeit goods, and labor practices.

However, there are also several important differences between Temu and dollar stores. The most obvious one is that Temu does not have physical retail locations in the U.S. (at least for now). This means customers must order online and wait several days or weeks for delivery. While online shopping is convenient, many shoppers would rather have their items immediately.



“Temu’s sales among customers earning \$190k grew faster than any other segment, and customers earning \$55k or less grew the slowest. Forty percent of the company’s customers are making above \$130k per year.”

Rmwcommerce data

Have a Halloween party tomorrow? Too late to shop on Temu, but there may still be cool things to grab at your local dollar store.

Another difference is that dollar stores make food and drinks a significant part of their product assortment, while Temu does not sell food (yet). This is important because dollar stores are often located in areas with few grocery stores.

I was also surprised to learn that Temu and dollar stores cater to different demographics. We've already mentioned Dollar General's comments about households earning under \$35k a year making up the largest segment of its customers.

However, according to Rmwcommerce, “Temu’s sales among customers earning \$190k grew faster than any other segment, and customers earning \$55k or less grew the slowest. Forty percent of the company’s customers are making above \$130k per year.”

Lastly, while both companies sell items manufactured in China, Temu was launched by Pinduoduo, a major Chinese e-commerce platform. On the other hand, Dollar Tree and Dollar General are American companies.

So, can we say that Temu is killing dollar stores? I'd say it puts pressure on them in some categories and contributes to slower sales.

David D'Arezzo, a former executive at Dollar General, told CNN that "Dollar General made a mistake in trying to shift toward discretionary items." However, I think it would be wrong to place all the blame on the Chinese company. There are major differences between these businesses, such as product assortment, distribution strategies, and customer segments.

Dollar stores are facing other issues, as discussed earlier, which are often the source of customer complaints.

WHAT DOES DOLLAR STORES DIGITAL EXPERIENCE LOOKS LIKE?

We've seen that Temu can take market share away from dollar stores, but they are still competitive due to their network of retail stores and ability to sell food and other consumable products. But are dollar stores competitive on the digital front?

The short answer is no. The customer experience on these websites is terrible. Dollar Tree only allows customers to buy full cases. Need a can opener? Too bad, you'll have to buy 48. Shipping isn't much faster than Temu either.



F/S 904 Ft Worth Ave, Dallas, TX 75208

[Check nearby stores](#) [Get Directions](#) [View Weekly Ad](#)

Today at this store: **Available**. Ship from Warehouse: **Available** (options below)

\$1.25 each (price, availability & selection may vary by location)

Quantity

\$60.00 Total

Why is there a minimum quantity?

Many items are shipped in cases that cannot be divided up. The bulk selling allows us to pass savings on to you.

Online Order Options:

FREE In-store Pickup:
Estimated Pickup @ this store: **10/10/24**

Ship To Home:
Usually arrives in 7 - 10 days

Dollartree.com

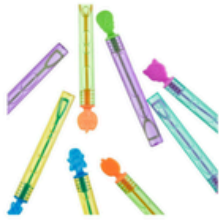
And that's when items are actually available, which isn't always the case. For example, we're a few weeks away from Halloween.

Want to order party supplies? Good luck finding something in stock on Dollar General's website.

Shop Halloween Party Supplies

26 results

Filters



\$1.00

Halloween Scented Bubble Sticks, 8 ct

⊗ Out of stock



\$1.00

Halloween DIY Foam Kit, Assorted

⊗ Out of stock



\$1.00

Glow in the Dark Halloween Necklace, Assorted - 1 ct

⊗ Out of stock



\$1.00

Glow in the Dark Halloween Pendant, Assorted

⊗ Out of stock

↑ Top

Dollargeneral.com

I understand that reliable inventory management systems can be expensive and difficult, especially with this business model. However, I think Buy Online Pickup In-Store (BOPIS) could work well for dollar stores. A pain point of in-store shopping is finding the right product on the shelves, and a problem with Temu is the delivery time.

Accurate inventory management on retailers' websites, with the option to pick up items in-store shortly after placing the order, could be convenient for millions of customers.

Unfortunately, I currently see little value for customers shopping on dollar stores' websites, but the upside is that there is a lot of potential for improvement in delivering value.

Conclusion

In conclusion, while Temu has added pressure to dollar stores, especially in the non-consumable categories, it is not the only reason behind their recent struggles.

The economic conditions (according to executives), negative in-store experiences, and competition from Walmart have in my opinion had a larger impact on dollar store stock prices. Temu's business model, though competitive in terms of pricing, addresses a different demographic and lacks the immediate availability that dollar stores provide, especially for food items.

However, one area where dollar stores lag is their ecommerce capabilities. The shopping experience on their website is terrible, with limited stock availability and sometimes only bulk purchasing options. Implementing strategies like BOPIS could greatly improve customer satisfaction and allow dollar stores to compete better in the digital space. Dollar stores still have potential, but they'll have to adapt to customers new expectations

<https://www.ft.com/content/ac297f38-ffeb-4761-a79d-ac1246209bfe>

[https://www.dailymail.co.uk/yourmoney/consumer/article-](https://www.dailymail.co.uk/yourmoney/consumer/article-13822375/shoppers-abandoning-dollar-stores-reasons-experts.html)

[13822375/shoppers-abandoning-dollar-stores-reasons-experts.html](https://www.dailymail.co.uk/yourmoney/consumer/article-13822375/shoppers-abandoning-dollar-stores-reasons-experts.html)

<https://nypost.com/2024/09/04/business/dollar-tree-stock-falls-20-after-cutting-forecasts> <https://qz.com/dollar-general-dollar-tree-new-strategy-walmart-target-1851643834>



OTHER NEWS FROM SEPTEMBER 2024

DOLLAR STORES AND OMNICHANNEL

Will Temu kill dollar stores? I don't think so. I believe dollar stores still have a lot to offer that Temu can't compete with (yet). Walmart could actually be the bigger threat.

But what do I know? I'm the eCommerce guy, not the retail guy. That being said, I looked at dollar store websites and started to think omnichannel could be huge for them.

I do not enjoy shopping in dollar stores; finding the right items feels like a hassle. If I want to go treasure hunting, I'd rather visit a thrift store.

Ordering online can be slow and expensive. I don't want to pay \$7+ in shipping for a cheap item or two, especially if I need them urgently.

That's why I think BOPIS would make a lot of sense for these businesses. These companies have huge networks of stores, and it would be easy for me to pick up my order on my way home from the office.

However, I don't know how realistic this is. Omnichannel requires top-notch inventory management systems, and it appears that these stores operate on low margins and high inventory turnover. If it were possible, I might actually start browsing their websites more frequently.

"Kohl's, Burlington, Five Below and Dollar General Pivot as Consumers Seek Deals" - PYMNTS.COM 8/28/24

<https://www.pymnts.com/earnings/2024/kohls-burlington-five-below-and-dollar-general-pivot-as-consumers-seek-deals/>

WALMART COMPETING WITH AMAZON IN THE FASHION CATEGORY

It didn't take long after moving to the US for me to hear the phrase "people of Walmart." At first, I was confused—who doesn't need to buy groceries? Now, I understand what it means and wonder if it might soon become a thing of the past. Walmart today feels very different from 2014 Walmart.

Their new private label brand, Bettergoods, seems to elevate their grocery offerings, and I've written about their impressive performance on the ecommerce side.

Will Walmart's image change enough that people will soon be proud to wear Walmart clothes? I don't think they'll compete with Tom Ford anytime soon, but I can see them making progress in the clothing category. Maybe not for the most high-end fashion, but certainly for well-designed, decent-quality basics.

On the ecommerce side, I can definitely see Walmart taking market share from Amazon in this category. Amazon's clothing section is a mess—it's hard to find what you're looking for. The search results are overloaded with sponsored ads for irrelevant items, product attributes can be misleading (like filtering for linen shirts and finding mostly polyester), and the images or sizing charts aren't always accurate.

Walmart could offer a smaller assortment with more control in exchange for a much better customer experience. Plus, since clothes are frequently returned, this could drive more traffic to their retail stores.

“Walmart Hopes In-Person Advantage Can Shrink Amazon’s Fashion Lead”
PYMNTS - 9/13/24

<https://www.pymnts.com/news/retail/2024/walmart-hopes-in-person-advantage-can-shrink-amazons-fashion-lead/>



ETSY CUSTOMERS REALIZE SOME “CRAFT ITEMS” ARE ALSO SOLD ON TEMU

This article perfectly illustrates what is wrong with Etsy today. You think you find a great deal from a small local creator, only to find out the same item is sold on Temu at 10% of what you paid. Not the best way for Etsy to get customers to come back.

Once a great place to find handmade items from small talented creators, the marketplace lost its way sometimes around 2020, becoming more focused on growth than quality.

At its peak, the company opened its doors to mass-produced goods and cheap items from China. It created a confusing shopping experience and alienated its customer base.

Etsy is now implementing badges to indicate which items are "made, designed, handpicked, or sourced by" sellers. However, I fear this will only add to the confusion and allow sellers to exploit loopholes.

I think Etsy was never meant to become a giant or part of the S&P 500 (from which it is now being removed), and that's okay. I've made a few purchases and enjoyed the experience. However, the company cannot stay true to its original value proposition if it continues to welcome just any seller.

I believe that the fast expansion, allowing anyone to find loopholes to sell counterfeit handmade items, has damaged the brand. It will be a long and way before Etsy can provide a great shopping experience again, although some recent initiatives are a great first step.

""Your Etsy finds are from Temu': Woman says you could be getting 'tricked' if you shop on Etsy
" DAILYDOT - 9/17/24

<https://www.dailydot.com/news/etsy-temu/>



AMAZON'S PROJECT AMELIA

I've noticed a lot of my connections being optimistic about Amazon's new project to support sellers, Amelia. Unfortunately, I don't share the same sentiment.

After reading the announcement, I don't see much value in this new feature. The announcement highlights three areas where Amelia is supposed to help.

The first is knowledge-based questions, like "What are the top things I need to do to prepare for the holiday season?" Sounds great on paper, but the answers shown in the screenshots are pretty generic. "You can lower prices or set up PPC campaigns." Thanks, Amelia—never thought of that.

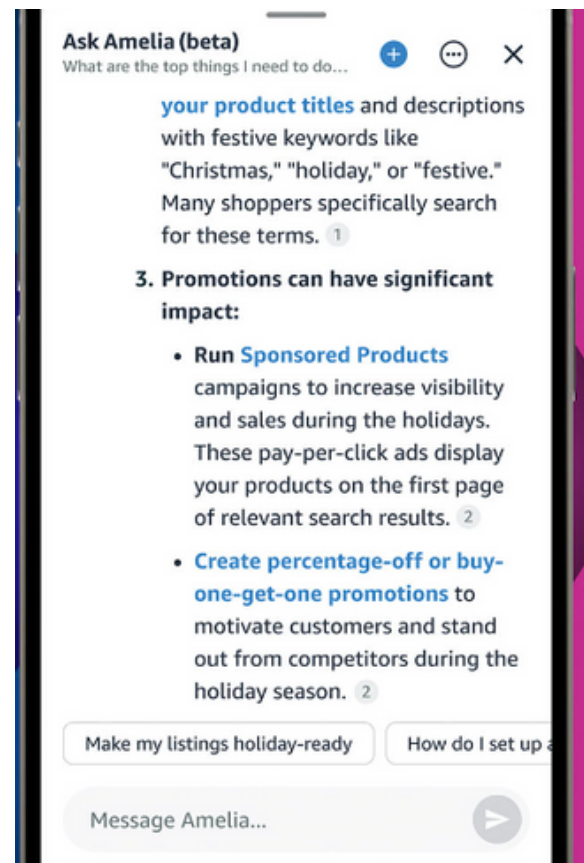
Next is status updates and metrics, which provide a quick overview of business metrics. It's a nice-to-have, but far from essential.

Lastly, there's actions and issue resolution. At first, I was excited—could this address some of seller support's inefficiencies, one of Amazon's biggest pain points for many sellers? Unfortunately, the example provided only shows Amelia helping create cases more efficiently, without actually resolving issues.

Which makes sense: Amazon's systems are too complex, and human input is still needed.

It could even be risky if bad actors gamed the system and used Amelia to take actions that go against Amazon's TOS. Still, I'd prefer seeing real improvements in seller support instead of nice but unnecessary features.

I'll be testing Amelia, and I hope to be pleasantly surprised. But based on the announcement, I'm not feeling very optimistic right now.



"Amazon launches a powerful new generative AI-based selling assistant codenamed Project Amelia" AboutAmazon.com 9/19/24

<https://www.aboutamazon.com/news/innovation-at-amazon/amazon-project-amelia>

EBAY UK REMOVES THEM FOR PRIVATE SELLERS

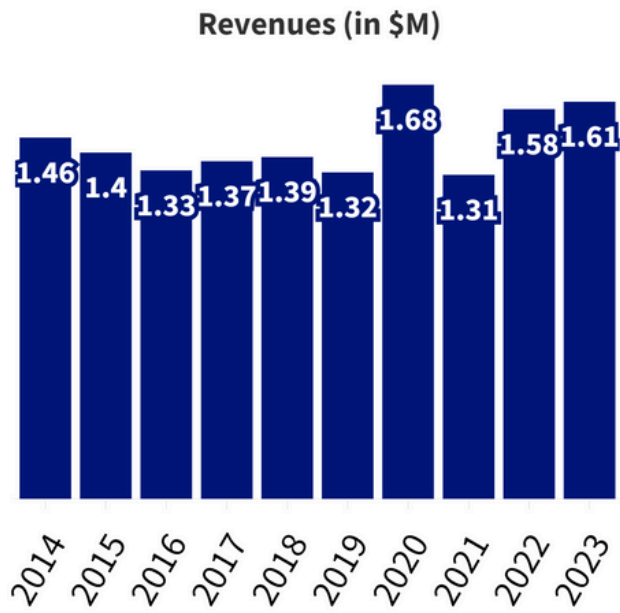
Why Would They Do That When Most Marketplaces Tend to Increase Fees?



One of the biggest complaints among Amazon, Walmart, or TikTok Shop sellers is the ever-increasing fees. But eBay UK has taken the opposite direction for private sellers (those who sell items occasionally for personal reasons, without the primary intention of making a profit or running a business). eBay UK has removed selling fees for private sellers across all categories, except for motors. After removing fees for fashion items earlier, eBay has now extended this policy.

They've also introduced new features like simplified listings, AI-generated descriptions, and tracked shipping with prepayment by buyers. eBay says they want to tap into an estimated £9 billion in resale potential from 294 million unused household items. I don't think eBay would do this only to contribute to sustainability (although it helps), so let's look at how removing fees for private sellers could impact both sellers and the company.

eBay UK Net Revenues and Growth



THE IMPACT ON PRIVATE AND PROFESSIONAL SELLERS

First, let's see what this means for sellers. The removal of fees will obviously be good news for existing private sellers, who will generate more revenue from the sales of their items. This will also encourage people with stuff to sell to try eBay, as some may have been deterred by losing part of their revenue to platform fees. The new features eBay has developed will also make it easier for these sellers to list their products and close sales. Overall, this is great news for those who occasionally have an item or two to sell, as it will simplify the process and allow them to make more money.

On the other hand, an influx of new private sellers who can sell at lower prices means more competition for existing professional sellers. These sellers typically have the advantage of mastering the platform, creating compelling content, and understanding eBay's policies.

Making selling easier for private sellers will lower the barrier to entry and level the playing field. However, due to the restrictions on private sellers, I don't think the volume of additional merchandise will be a major threat to existing sellers. eBay may also reduce the thresholds for what constitutes a private seller.

WHY WOULD EBAY DO THAT?

So why would eBay kill a revenue stream? After all, these fees are a major source of revenue in C2C ecommerce and on major marketplaces. New marketplaces typically start by offering lower fees to attract sellers and then gradually increase them as the platform matures. But eBay, as one of the oldest marketplaces, is taking a short-term hit by removing fees.

However, I see several upsides to this move. The main reason is that it could generate increased traffic. eBay already experimented with a similar strategy in Germany and saw a boost in traffic.

Even if much of the new traffic consists of private sellers who don't pay fees, some may enjoy the experience enough to become professional sellers, eventually generating more revenue for eBay. Let's also remember that eBay earns revenue from more than just selling fees. With increased traffic and listings (and a potentially more competitive marketplace), eBay could make up for this loss by selling more of its additional services, such as advertising and payment processing.

Finally, I see this move as a smart way for eBay to differentiate itself from Amazon and Walmart by putting a stronger focus on C2C and second-hand items. I believe both eBay and Etsy made the mistake during the pandemic of trying to imitate Amazon by turning into another "everything store." In my opinion, the sale of new (as the opposite of second-hand), mass-produced items from China diluted the value proposition of eBay and Etsy. Bringing in more private sellers can reinforce eBay's core value and deliver greater value to customers.

CONCLUSION

Marketplaces typically face two challenges: attracting third-party sellers and attracting customers. Removing fees for private sellers will help with the former by making it easier and more appealing for new sellers to start on eBay, with the possibility of converting them into professional sellers. It also helps with the latter: customers love good deals, and the second-hand market is booming. More used items for sale could attract more customers. Overall, despite the short-term loss of fee revenue, I believe eBay made the right decision, and I look forward to seeing how this plays out.

<https://www.ebayinc.com/stories/news/ebay-uk-announces-it-is-now-free-to-sell-across-its-categories>



OCTOBER 2024

ZOMBIES AND WITCHES NOW FAVOR
ONLINE SHOPPING

HOW SPIRIT HALLOWEEN'S ONLINE STRATEGY MEETS THEIR EXPECTATIONS

If you live close to a large city, you've probably seen all these Spirit Halloween stores popping up recently. It's impossible to miss them with their bright orange signs. I find it impressive that a company can generate enough revenue during the Halloween season to have the resources to open all of these temporary locations. But what's even more impressive is that, even when operating within such a short time frame, they place a heavy focus on the online experience.

Let's see how this company operates and review some key parts of their online strategy. Spirit Halloween recently added some interesting shipping options and seems to perform well online. Halloween is certainly an interesting time of year for businesses, and I thought it would be insightful to examine one of these extremely seasonal businesses that succeed online.

ABOUT SPIRIT HALLOWEEN AND CUSTOMERS SHOPPING TRENDS

Few people know that Spirit Halloween actually started as a women’s clothing store in 1983. Its founder, Joseph Marver, realized the huge potential of Halloween, changed his store name to Spirit Halloween, and started selling masks, costumes, and other fun seasonal items.

Today, the chain operates with a unique model, opening retail locations for only a short period around Halloween. Buyers start purchasing inventory as early as February, and the company begins looking for retail locations in May.

This setup is a win-win for the company and for landlords: Spirit Halloween can find short-term leases (albeit at a premium price), and landlords gain cash flow until they find a longer-term tenant.

However, this model presents a paradox. When the economy is strong, customers have more purchasing power and are willing to spend more on Halloween supplies. But a strong economy also means that retail locations are harder to find, with fewer stores going out of business.

Conversely, a weaker economy makes it easier to find retail locations, but consumers tend to spend less on discretionary items.

Finally, the company’s growth is remarkable: from 10 locations in San Francisco in 1993, Spirit Halloween now has 1,525 locations across the country, creating 50,000 seasonal jobs. The company has a strong retail presence but remains aware of new shopping trends. It is clear that customers increasingly favor online orders for their Halloween purchases, and Spirit Halloween has effectively responded to these new expectations. Let’s see how.

Where Customers Buy Most of Their Halloween Candy/Decor



Source: Civicscience report 2024

SPIRIT HALLOWEEN’S NEW SHIPPING OPTIONS

If I were interested in Halloween, I’d probably start planning at the very last minute and be tempted to browse Amazon with its fast delivery options.

But this year, Spirit Halloween is stepping up their game. A major piece of news for this season is the development and implementation of two key partnerships in delivery.

The first partnership is with Roadie, a UPS company focused on last-mile delivery. “We have a ‘no zombie or witch left behind’ policy at Roadie,” said Marc Gorlin, Founder and CEO of Roadie.

With its network of over 200,000 drivers, this partnership allows Spirit Halloween to easily scale for peak season.

The second partnership is with Uber Eats/Postmates. Spirit Halloween isn’t the first non-food retailer to partner with Uber Eats—Sally Beauty has done it as well. Nonetheless, it makes a lot of sense for a business with consumers often needing last-minute supplies.

Beryl Sanders, director of U.S. grocery and retail partnerships at Uber, provided a relevant example: “As a working mom, I know how crucial that last-minute face paint or mask can be on the morning of the school parade or the hour before trick-or-treating starts, and I’m thrilled we’ll be able to meet that demand at Uber.” Another plus is that items will be priced the same as in-store.



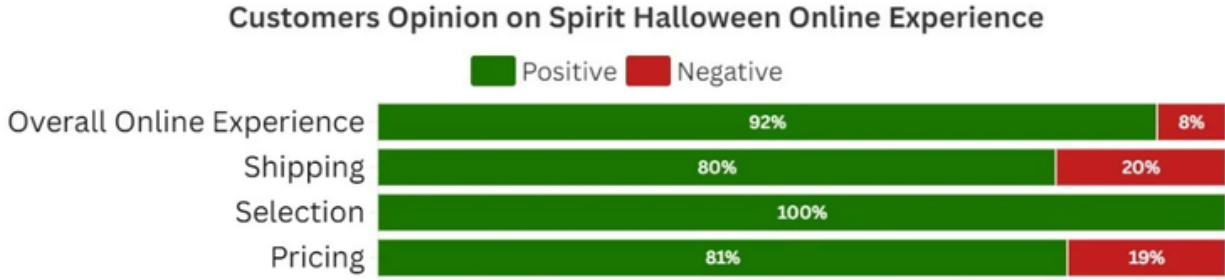
“We have a ‘no zombie or witch left behind’ policy at Roadie,”

Marc Gorlin, Founder and CEO of Roadie

These partnerships make a lot of sense for a seasonal business like Spirit Halloween. In theory, it brings significant value to the consumer and appears to be a solid alternative to Amazon. Let’s see in practice how the Spirit Halloween online experience measures up.

WHAT IS THE ONLINE SHOPPING EXPERIENCE LIKE?

So, what’s it like to shop on Spirit Halloween’s website? I analyzed the last 1,000 Google reviews and identified the ones relevant to four categories: Selection, Pricing, Shipping/Delivery, and the overall online shopping experience.



Based on the 1000 latest Google reviews of Spirit Halloween as of 10/20/2024

Let's start with selection. I'm not certain exactly how many items are listed on the website, but the selection appears massive. I didn't find a single review complaining about a lack of items or inventory issues. The website is neatly organized, with several categories, and I found the navigation to be pleasant and easy.

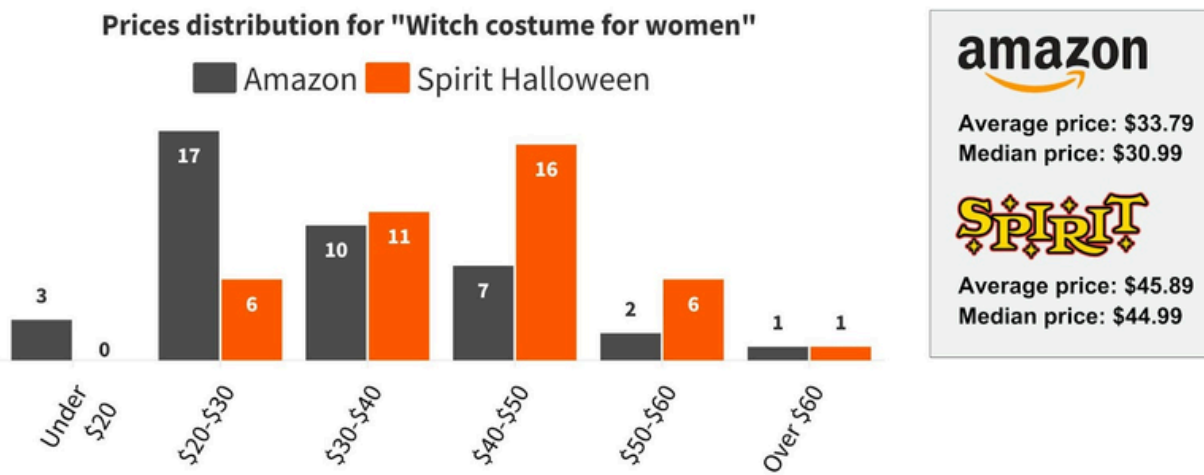
On the product pages, most information is easily accessible. However, I noticed that listing quality was somewhat inconsistent. Some products, such as animatronics, had a lot of information, with multiple high-quality pictures and videos.

On the other hand, some costumes only had one or two images, making it difficult to see how the costume would fit.

Although customers may not be as picky as when buying high-end fashion items, improving visuals or even allowing user-generated content in the reviews could improve the shopping experience and help limit returns.

Next, pricing. Customers were mostly happy with prices; 81% of the reviews mentioning prices described them as fair. So, I wanted to see how Spirit Halloween's prices compared to a major competitor: Amazon. I couldn't look at every product across all Halloween categories, so we'll have to rely on anecdotal data here.

I searched for "witch costume for women" on Amazon and compared the top 40 relevant search results (excluding items like candy) with the top 40 listings on Spirit Halloween's website.



Based on the top 40 search results, including sponsored listings but excluding irrelevant search items (such as candy, makeup..) as of 10/26/2024

On average, Amazon prices were \$12.10 lower for the same items. Similar items on Spirit Halloween were about 35% more expensive. This seems like a large difference, but it's important to note that we're not comparing the exact same items. In fact, Spirit Halloween's items appeared (in my opinion) to look better than those on Amazon. I believe Spirit Halloween aims for a higher standard of quality to target a different demographic, but I could be wrong: it's possible that Amazon products are just as good, but the third-party sellers didn't put much effort into their content.

Either way, in terms of pricing: (1) prices may be higher on Spirit Halloween and (2) despite the potential price difference, customers are generally happy with prices.

Finally, while one out of five customers expressed dissatisfaction with shipping and delivery, we should consider that many incidents could be the carriers' responsibility, not the brand's. Also, as with any reviews, unhappy customers are often more likely to complain than satisfied ones.

A major complaint was that some items arrived later than expected. The new partnerships Spirit Halloween formed this year may help with late deliveries, as customers can easily order items and receive them the same day, giving them enough time to find an alternative solution if needed.

Overall, over 90% of customers seem satisfied with their online shopping experience. As a textbook example of a seasonal business, Spirit Halloween has only a few weeks to generate most of its revenue.

With customers favoring online options more each year and tough competition from Amazon and Temu, the company has no choice but to deliver a flawless online shopping experience—and they appear to be doing very well in that regard.

CONCLUSION

Spirit Halloween's unique seasonal approach seems to be a success in a highly competitive environment, especially when it comes to delivering a solid online shopping experience. With strategic partnerships for fast, last-minute deliveries and a focus on offering a wide selection, Spirit Halloween has positioned itself as a reliable choice for Halloween enthusiasts.

Although some items may be priced higher than on Amazon, customers seem satisfied with the company's offerings. As the Halloween season attracts more online shoppers, Spirit Halloween's customer-focused strategy stays relevant and successfully meets customer expectations.

<https://civicscience.com/halloween-draws-reduced-spending-and-mixed-reactions-this-year/>

<https://www.sfgate.com/local/article/bay-area-store-spirit-halloween-chain-19821458.php>

<https://chainstoreage.com/these-five-retail-brands-account-13-spirit-halloween-locations>

<https://www.businesswire.com/news/home/20241009732492/en/It%E2%80%99s-Scary-Fast-Spirit-Halloween-Teams-Up-with-Roadie-for-Same-Day-Delivery-Launch>

OTHER NEWS FROM OCTOBER 2024

THE CHALLENGE OF ATTRACTING AND RETAINING SELLERS FOR AMAZON AND TEMU

Not every Amazon seller is the same, but many sellers are worn out. I think that's something the article missed.

In my opinion, Temu's challenge isn't just attracting Amazon sellers—it's attracting the right ones. Is there any value in adding the 1,000th seller offering private-labeled widgets sourced from Alibaba? I don't think so. However, bringing in strong brands that customers actually care about could be a game changer.

Amazon sellers typically have two big complaints: fees and seller support. If PDD has cash to burn (which seems to be the case), the fees issue could be solved quickly. Currently, referral fees on Temu are significantly lower than on Amazon. Seller support might be trickier, but I don't have personal experience selling on Temu (I'd love to hear stories from those who do).

Amazon will eventually focus more on seller retention. Of course, most sellers considering Temu will likely continue selling on Amazon. But seeing strong, exclusive brands open a Temu seller account could be bad news for Amazon.

The company will need to do more than just add gimmicky features such as (as mentioned in the article) "showing images to help users narrow down their search, the ability to add text prompts to uploaded images, and 'More Like This' recommendations." Walmart and Temu are moving fast, and are getting better by the days.

"Amazon and Temu Copy Each Other in Battle for Sellers"
PYMNTS.COM 10/6/24

<https://www.pymnts.com/news/ecommerce/2024/amazon-and-temu-copy-each-other-in-battle-for-sellers/>

NEW AI TOOLS TO CREATE AMAZON ADS

Authenticity will be the name of the game for brands in 2025.

Amazon just announced new AI tools for advertisers, and the videos showing off these features are pretty impressive.

But if everyone has access to these tools, will the content still feel special? Or will watching these videos feel like reading AI-generated LinkedIn comments?

Now, I'm not saying this is a bad feature. A listing with quality AI visuals is often better than one with low-quality images. This is especially convenient for smaller businesses that sell a lot of different SKUs but lack the resources to create unique content for each one.

In my opinion, though, this will only widen the gap between the minority of authentic, strong brands and the tons of commoditized products competing purely on price. I'd love to try out this type of content myself, and I'm curious to see how it'll impact the customer experience.

“Amazon Ads launches new AI tools for advertisers—here’s your first look at the beta” Aboutamazon.com

<https://www.aboutamazon.com/news/innovation-at-amazon/amazon-ads-generative-ai-video-generator-advertisers>



POSHMARKS BACKTRACKS ON NEW FEE STRUCTURE

We often talk about how competitive marketplaces are for sellers. But there's growing competition between marketplaces themselves.

While most businesses focus on attracting buyers, marketplaces need to attract both buyers and sellers to generate revenue through fees and additional services like advertising.

Poshmark tried to lower seller fees, which was likely welcomed by sellers. However, reducing their fee from 20% to 6% (plus a small flat fee) most likely impacted Poshmark's bottom line—they had to make up for the lost revenue.

Their idea to charge buyers a fee resulted in a significant drop in sales across the platform. Within three weeks, they went back to the original fee structure.

Buyers have little loyalty to a platform if they can find the same product and level of customer service at a lower price somewhere else.

With Amazon, Walmart, Temu, eBay, Etsy, and other marketplaces, retaining both buyers AND sellers is becoming a bigger challenge. Amazon has relied on its traffic and Buybox attribution algorithm (which ensures sellers offer the lowest prices across all channels) to stay competitive. However, this may not be enough in the future if other marketplaces become aggressive, or if regulators take action.

“Poshmark to Eliminate Fee on Buyers 3 Weeks After Implementation

” PYMNTS.COM 10/21/24

<https://www.pymnts.com/news/ecommerce/2024/poshmark-to-eliminate-fee-on-buyers-3-weeks-after-implementation/>



AMAZON DIRECT-FROM CHINA SURPRISING TERMS OF SERVICES

I wrote extensively about different pricing strategies, but I missed the one where companies roll a 20-sided die to price their products.

Even worse, the prices Amazon plans for their new "Amazon's Low-Cost Store," with third-party sellers shipping directly from China, seem to make no sense—everything is priced under \$20.

Sofas under \$20 and guitars under \$13? And even if you manage to sell \$19.99 sofas, another guideline reportedly states that "Items must not exceed 1 lb in weight or 14 x 8 x 5 inches in measurement."

It's clear Amazon wants to compete directly with Temu through this model, and I think it's smart to create a separate section rather than mixing this direct-from-China venture with their existing listings.

But if the reported information is accurate, the execution of this strategy and the communication with sellers is sub-par.

I'm also concerned about Amazon forcing sellers to remove all branding and list items as "generic." While it may not be a huge deal for this model, it sets a dangerous precedent: will Amazon eventually ask other third-party sellers to downplay or even eliminate their brands?

Now I am waiting to get more information on this new store, but I am a little pessimistic on its execution.

"Amazon Sets Rules for Its New Low-Cost Store"

Marketplace pulse 10/22/24
<https://www.marketplacepulse.com/articles/amazons-low-cost-store-requirements-and-fees>



BEFORE YOU CLOSE THIS REPORT

MEET LEONI PARKINSON

The sad reality of ecommerce and digital marketing is that this field attracts shady gurus like cheap wine attracts next-day regrets. And figuring out what is genuine, truthful advice isn't always easy.

Fortunately, there are knowledgeable experts like **Leoni Parkinson** to help us navigate the latest trends and uncover the truth behind flashy headlines in the news.

In this episode, **Leoni debunks the top 5 myths of digital marketing**, covering everything from AI's impact to performance measurement. I really enjoyed this conversation and was impressed by how effortlessly Leoni made digital marketing feel so accessible and straightforward.

I highly recommend checking out the full conversation on my youtube channel.



Interview

 [@francoismaingret](https://www.youtube.com/@francoismaingret)

Where to find Leoni

 <https://www.linkedin.com/in/leoni-parkinson/>



ECOMMERCE NEWS

SEPTEMBER - OCTOBER 2024



fmaingret.com



Francois Maingret