

The SimplePart Platform

Field Staff Guide

Monthly Performance Snapshot

Month	2018-03	2018-04	2018-05	2018-06	2018-07	2018-08	2018-09	2018-10	2018-11	2018-12	2019-01	2019-02
Sales	\$191	\$3,341	\$3,656	\$4,538	\$2,582	\$6,973	\$7,203	\$4,538	\$6,607	\$4,150	\$6,973	\$7,203
Orders	2	11	25	22	20	43	51	41	48	41	43	51
Visitors	77	1,309	2,184	1,808	2,348	2,280	2,446	1,575	1,925	1,669	2,280	2,446

Gross Profit	\$624.93
Last Month	\$-2,956.81
Last 30	\$883.56
Next 30	\$-1,207.43
YTD	\$4,345.02
12 Months	

Sales	\$4,150.80
Last Month	\$21,501.45
Last 30	\$5,611.76
Next 30	\$32,773.48
YTD	\$61,260.76
12 Months	

Orders	41
Last Month	87
Last 30	49
Next 30	179
YTD	353
12 Months	

Paid Return On Investment

\$311.92 Spend 1,004 Clicks 16 Orders \$2,816.11 Sold

* Statistics Based on Last 30 Days

\$9.03/\$1 ROI

Order Dollars

Orders Received ■ Actual ■ Expected

Site Purchases ■ Intent ■ Purchases

ORDER NOTES

- 8/23/18 Dealer Note: CONFIRMED: All products in order fit this (STFUM5F19AX011526)
- 8/23/18 Dealer Note: Customer responded to previous email hoses to restock. Order is on hold until...
- 8/23/18 Payment Note: Payment: Approved: This transaction Authorization Code: 50332R Transaction ID: 84783219547...



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Defining Business Objectives

In this section, you will learn:

- How to help your retailer define business goals that meet your store's objectives
- How to help your retailer select the right program package to meet your store's objectives

Define Your Goals:

If you ask a retailer, “**How much would you like to sell on your site,**” most likely you’ll hear “**as much as possible!**” It’s a good answer, but most retailers don’t realize the amount of resources and commitment needed to sell parts and accessories online in volume. Being a volume player means setting prices very competitively, offering multiple payment options, offering free shipping, investing heavily in digital marketing and having the personnel needed to fulfill orders on a daily basis.

At SimplePart, we recognize that every retailer defines his or her online success differently. Together with Subaru of America, we’ve created different packages to help retailers succeed online, whether they are new to e-commerce or pros at selling online. Review these suggestions to help your retailer select the right package to meet its business objectives and ensure long-term, sustainable growth.

Your Retailer is Interested in a Web Presence:

The **Base** Package offers your retailer flexibility. Whether your retailer is new to e-commerce, or is just looking to add an online presence for parts and accessories to its Subaru store, this package provides your retailer with the opportunity to test to price parts and accessories at or around MSRP. While this package generally yields fewer orders, its resource commitment is minimal, and it has the potential to generate significant revenues if your retailer is prepared to offer competitive pricing and shipping rates.

Your Retailer Wants a Combination of Volume and Gross Profit:

If your retailer wants to take a more active role in generating additional revenues via e-commerce, and attract new local customers, **Base + Advertising** is the right package. Retailers who use this package work with our team to stay competitive in the online market, while protecting their margins. Retailers on this package can also leverage fewer resources and potentially be more profitable on a per-order basis using techniques like participating in marketing promotions or adjusting prices to incorporate free shipping.

Your Retailer Wants to Generate a Significant Amount of Revenues Online:

If your retailer is interested in high-volume selling and is committed to investing the time and advertising budget to get them there, you should recommend the **Advanced** package. The Advanced package comes with a lot of benefits, including personalized sales strategy support from a team of experts at SimplePart.

SimplePart also offers to selected retailers the **PRO** package. Please contact our sales team for more information about this package, specifically designed for retailers that work closely with OEMs on financial incentives, and can afford to both price products competitively and allocate the right amount of resources.



Selecting the Right Package

In this section, you will learn:

- How to quickly define and recommend the right package to meet your retailer objectives

Choose the Right Package for your Retailer

Here's a short goals checklist you can use to select the package that best meets your retailer needs to optimize performance on the SimplePart platform.

Retailers who just want an online e-commerce presence	<ul style="list-style-type: none">• Price near MSRP and use a product price matrix as needed• Offer local pickup options• Run regular promotions (emails, banners, etc.)	Base Package
Retailers who want to reach new local buyers and increase their store visibility	<ul style="list-style-type: none">• Invest in Digital Marketing - \$500+ monthly• Use a product price matrix to price competitively• Offer free shipping and local pickup options• Run regular promotions (emails, banners, etc.)• Offer local pickup options	Base+ Package
High volume player	<ul style="list-style-type: none">• Potentially hire additional staff to process orders• Invest heavily in Digital Marketing - \$1,000+ monthly• Price products very competitively• Offer free shipping on an ongoing basis• Run regular promotions (emails, banners, etc.)• Work regularly with the Dealer Strategy team at SimplePart	Advanced Package (PRO Package for selected Retailers)



Pricing: Optimize Margins

In this section, you will learn:

- Business metrics to consider when evaluating sales success
- Develop a pricing matrix to optimize margins

Understand How You Can Use Pricing to Reach Your Goals:

Pricing your parts and accessories correctly is essential to your website's success. As you develop a pricing strategy, keep in mind that lowering your prices consistently may not always be the best course of action to protect your margins. Many retailers like to keep things simple when it comes to pricing parts and accessories (cost + 25 across all products, for example). Others prefer a more sophisticated and targeted strategy; for those retailers, we recommend utilizing pricing matrices as a solution. Contact our Dealer Strategy team to determine which strategy works best for your retailer.

Using a Price Matrix to Protect Your Margins and Be Competitive:

Selling online gets competitive. Multiple product offerings, and multiple outlets are easily compared and one of the biggest deciding factors for a customer is always going to be the product price. To save margins from being completely depleted, get strategic with your pricing with matrices.

Pricing Matrices balance high margins without lowering customer conversion. With a matrix, retailers can control margins for select price ranges.

- Higher margins are maintained on inexpensive popular items.
- Margins can be adjusted for higher priced items so as not to scare customers away.

Product Sales Price		Margins	
Min.	Max.	Product at Cost x (times)	MSRP List Price
\$0.0	\$20.0	1.25	0.90
\$20.1	\$50.0	1.20	0.86
\$50.1	\$100.0	1.18	0.85
\$100.1	\$250.0	1.16	0.82
\$250.1	\$99,999.0	1.15	0.80

NOTE: Every retailer and every brand is different. The numbers below are just for explanatory purposes. You should contact our SimplePart Dealer strategy for help in developing a pricing matrix that fit your retailer's needs.

NOTE: Don't ignore pricing strategies. Consider the competitive landscape and avoid pricing at MSRP.



Make the Most of Shipping

In this section, you will learn:

- How to help retailers select the shipping providers that are right for them
- Tips and tricks to help retailers optimize the shipping process

Once a retailer decides to start selling online, shipping becomes a huge aspect of their parts counter's operations and sales. Shipping can be a profit center for many retailers, but it can also be a deal-breaker for many customers when shipping costs are too high.

Shipping Options:

The SimplePart platform supports all major shipping carriers: USPS, UPS and Fedex. For small orders and anything that will fit in a flat rate box, we recommend using USPS because it's often the cheapest option. For larger items, UPS and FedEx can also be considered. Here's a summary of how Subaru retailers ship parts and accessories to their customers and how this affects their bottom line.

SimplePart System-wide Average Profitability by Shipping Carrier			
Shipping Carrier	Avg. Customer Order Shipping Charge	Avg. Dealer Cost per Box Shipped	Profit per Box Shipped
USPS	\$13.48	\$8.33	\$5.15
UPS	\$25.54	\$27.33	-\$1.79
FedEx	\$30.06	\$23.64	\$6.42

NOTE: Do utilize local pickup, which increases conversion and sales of non-shippable items.

Shipping Tips:

Avoid under-charging for bulky or heavy products: On average, 2% of orders will include an item requiring additional shipping fees. To cover this, retailers can set a fixed shipping rate specifically for these items by part number, or by an entire category.

Try to offer competitive shipping rates to customers: Cheaper shipping means more attractive prices to customers, which ultimately leads to increased conversion rates and more sales.

Use USPS to sell more and more profitably: Often, retailers can charge customers a lower rate and make more gross profit utilizing USPS.

NOTE: Do pay attention to new orders and customers/shipping time. Remaining cognizant of efficient order processing can yield increased repeat buyers.



Make the Most of Shipping (cont.)

In this section, you will learn:

- How to help retailers optimize their pricing strategy so they can offer free shipping
- Leveraging Real Time Shipping (RTS) to minimize shipping costs
- How retailers can set up shipping accounts to send packages faster and for less

Let's continue by going over **free shipping**. Free shipping in e-commerce is everywhere. Studies show that online shoppers prefer free shipping to fast shipping and discounts. In most cases, they will choose a part that costs \$30 instead of a part that cost \$20 with a \$10 shipping charge. As more and more customers are coming to expect free shipping when they purchase online, how can you take advantage of this trend?

One way is to bake some or all of your shipping cost into your price. Here are some examples:

- ❑ **Set a free shipping threshold.** We recommend setting it at 10-15% above your existing Average Order Basket (AOB), which is between \$100 and \$200 for most dealers
- ❑ Market your free shipping by running **promotions**

NOTE: A free shipping threshold of \$250 is a good rule of thumb.

NOTE: We have the tools and a team to help.

- ❑ Select the most cost-efficient shipping carrier

Keep in mind that offering free shipping is not a necessity, but merely another tool to drive sales.

Add Real Time Shipping (RTS) To Your Site for Free and Improve Profits:

Retailers can add Real Time Shipping (RTS) to their site for free and enjoy the benefits of Subaru-supported product dimensions and weight data to more accurately calculate shipping cost. The SimplePart Support team can help you get your retailer set up in no time.

Make Sure You Have these Account to Set Up:

- **Stamps.com account** – Their accounts are easy to set up and will help you send packages out faster. Use this link for SimplePart's partner discount: tinyurl.com/SPStampsDiscount
- **UPS WorldShip or FedEx Ship Manager** – Set up an account with one or both of these if your store doesn't already have one.
- **ShipStation (recommended)** – This product merges all your shipping accounts into one portal, and it integrates with SimplePart's Control Panel. This lets us display the true profitability of your shipping program. SimplePart's discounted rate gives you a subscription for as low as \$4/month, depending on your package.

NOTE: Do RTS markups with a focus on reducing costs with USPS as opposed to trying to make margin.



Your Guide to: Shipping Supplies

In this section, you will learn:

- Which shipping supplies are needed to run a successful e-commerce business
- Where to find deals and discounts to help with shipping methods and supplies

Your retailer's online store is ready to go. But are they equipped to start shipping their first orders? We've put together a list of supplies they'll want to have on hand as orders are fulfilled.

Things You'll Need to Get:

- Medium-sized square boxes and long, skinny 6-8" boxes** – You can cut these down to size to fit whatever you'll be shipping out
- Tape and a tape gun dispenser** – Save yourself some frustration and spend the money on quality items
- Clear invoice pouches** – These aren't always needed, but they're good to have around. It's better to be prepared than sorry

TIP: Once you start seeing more volume, look around locally for smaller corrugated box suppliers. They often offer discounts.

TIP: You can also use free USPS customs form pouches.

- Package scale** – A 70lb range is sufficient
- Label printer** – Check with UPS or FedEx, as they will often give you one for free

TIP: You can often get these for free or at a discounted price when you have a UPS or FedEx master account.

Things to Get for Free from USPS:

If you order items from this link—tinyurl.com/USPS-ShippingSupplies—they'll be delivered to your retailer, free of charge.

- Small, flat-rate boxes** – Around 65% of packages will be sent this way.
- Flat-rate Tyvek envelopes** – This envelope always ships at a small, flat-rate price.
- Large and medium flat-rate boxes** – Brake rotors and other heavy items are best sent with these.
- Priority mail dual-use tubes (triangle boxes)**
- Customs form envelopes** – It's useful to keep these on hand. You never know when they could come in handy.

TIP: Be sure your retailer knows to inform their local post office they've started shipping with USPS. They'll likely be able to request a regular pickup time. Plus, they'll often send a representative to coach your retailer on shipping best practices



Enhance Your Site's Performance

In this section, you will learn:

- How can leverage leverage promotional banners on their site
- Tips and tricks on how to run successful email marketing promotions

Running promotions on their website, giving out coupons and sending promotional emails to existing clients are all great ways to generate more sales. At SimplePart, we regularly run marketing promotions for our retailers and OEM partners. Our promotions often generate **3x to 4x our clients' typical order volume**. Here are some DIY tools retailers can use to sell more.

Promotional Banners:



Promotional banners, located at the top of your retailer's website, are an effective way to let visitors know what's on sale and for how long, or any active promotional discount codes or free shipping events.

Be sure to use promotional banners in moderation. We suggest only running banners for a limited amount of time to help keep shoppers' attention. To learn how to set-up a promotional banner on a site, retailers can follow these step-by-step instructions.

Your Banner Should Follow These Guidelines:

- Keep title and text clear, short and effective.
- Make sure to include a call to action such as "click here."
- Apply the 'mainnav' location for a banner that pops and can't be missed.
- Run banners for a limited amount of time.
- For a high quality image, make sure the dimensions are 1150px x 100px.



Enhance Your Site's Performance (cont.)

In this section, you will learn:

- How retailers can leverage coupons on their site and beyond
- Tips and tricks on how to run successful email marketing promotions

Coupons:

Coupons are another great marketing tool that not only drive sales, but also help build customer loyalty. Coupons can be used in many different ways and can be either digital or printed. Use them to highlight the discount value, promotion duration and eligible products. Consider delivering your coupons in a promotion email campaign or in your packaging as cards or slips.

Tracking the performance of every single coupon and campaign you launch is crucial to your business' promotional strategy. SimplePart offers a built-in coupon code tracking system, so coupon campaigns can become a great new source of data to continuously improve your business's performance. Coupon campaigns can even be run simultaneously to see which coupon has the best impact on sales.

To learn how to set up a coupon on a site, retailers can follow these step-by-step instructions:

Video: <https://subaru.knowledgeowl.com/help/ep-12-how-to-create-a-coupon>

PDF: <https://simplepart.app.box.com/s/9ral8xzvji5u0ppzqcq5milns4rbyscn3>

Your coupons should include some key elements:

- ❑ **A clear and concise call to action**, such as:
 - "Claim your deal"
 - "Shop now, save later"
 - "Save 10% on your next order"
- ❑ **An expiration date** – This creates a sense of urgency, incentivizing shoppers to take action
- ❑ **Clear and concise instructions** – Complicated rules will discourage potential customers



Great Ways to Build Customer Loyalty Using Coupons:

You can add **packaging inserts** to an order before you ship it out. These inserts are great to build customer loyalty and pair well with a thank you note.

Adding a **coupon** to your email receipts offering a discount on the next order is another great way to generate repeat business.

Enhance Your Site's Performance (cont.)

Marketing & Dealer Strategy Services

In this section, you will learn:

- How retailers can leverage the services SimplePart has to offer and improve store sales

Marketing Promotions:

Promotional emails and social media posts can also be used strategically to generate sales and build a loyal customer base. Our experienced marketing team works closely with our retailers and OEM partners to create and distribute promotional material to help your store sell more.

TIP: For more information, view our case study at tinyurl.com/PromotionsCaseStudy

Search Engine Marketing:

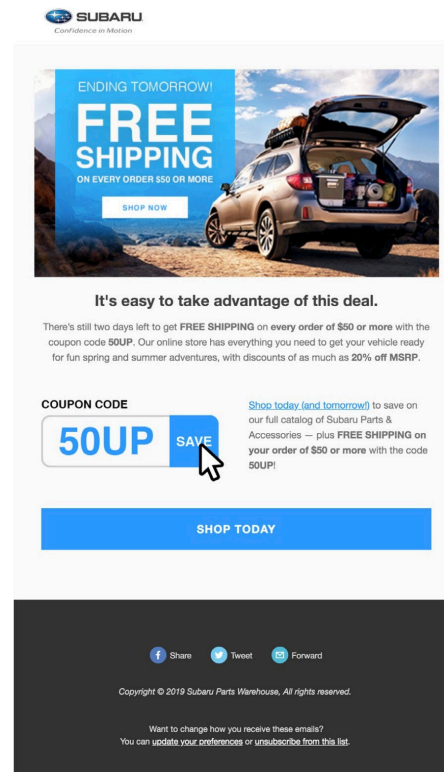
Search Engine Marketing can be summed up simply as purchasing space for paid ads on search engines as a way of driving traffic to your retailer's website.

Our team monitors every client's account so that ad campaigns are fully optimized and operating at the highest level of performance, frequently optimizing keyword and bidding strategies to drive high-quality traffic to your retailer's site. Check Subaru Parts Online packages to find the fit for your retailer.

Dealer Strategy:

The Dealer Strategy Team at SimplePart gives retailers the unique advantage of speaking with an unbiased partner who is wholly focused on the success of your business.

Our team takes a look at several key performance indicators that can affect a store's market standings. This could include parts and accessory pricing matrix, shipping mix and other key elements unique to a Subaru store. All of this data will be analyzed, and a full consultation will be given on which steps should be taken next based on store goals.



TIP: Don't be afraid to ask for help. SimplePart and its staff are here to help your retailer succeed online.

Example Dealer						
Date Range: 16	Sales	Spend	ROI	Orders	Basket	Add to Cart
12/1 - 12/16	\$1,721	\$202	\$3.09	16	\$95.00	14.53%
12/17 - 1/1	\$2,584	\$148	\$7.78	16	\$161.00	15.68%
Performance Improvements	50.15%	-26.73%	151.78%	0%	67.71%	7.91%

EX: One of our PRO clients required a Parts Matrix adjustment in order to stay competitive. The change was made on 12/17/2018. Our Dealer Strategy Team measured the before and after stats and compiled this table for future reference.



In Conclusion: The Dos & Don'ts

In this section, you will learn:

- Final considerations on what to do and what not to do for your retailer to be successful online

AVOID PRICING AT MSRP IF YOU WANT TO SELL ONLINE

Don't ignore pricing strategies. Consider the competitive landscape and avoid pricing at MSRP. Note that pricing with an objective of higher volume will likely yield lower margins, and vice-versa.

LEVERAGE USPS AND FOCUS ON REDUCING SHIPPING COSTS FOR THE CUSTOMER

Do RTS markups with a focus on reducing costs with USPS as opposed to trying to make margin.

GOOD CUSTOMER SERVICE APPLIES ONLINE LIKE IT DOES IN YOUR SHOP

Do pay attention to new orders and customers/shipping time. Remaining cognizant of efficient order processing can yield increased repeat buyers.

LEVERAGE THE SUBARU PARTS ONLINE PROGRAM TO SELL MORE, MORE OFTEN

Don't miss out on the opportunity surrounding Subaru nationwide promotions and utilize coupons/banners to promote special offers. Promotions are aimed to increase sales and retailers are reimbursed on their parts statement for the value of the coupons used.

LEVERAGE ONLINE TO SELL IN YOUR BRICK AND MORTAR STORE

Do utilize local pickup, which increases conversion and sales of non-shippable items. It also increases the ability to cross-sell when consumers enter a store (complimentary products, installation, and other services).

LEVERAGE SIMPLEPART SUPPORT TO HELP YOU SUCCEED ONLINE

Don't be afraid to ask for help. SimplePart and its staff are here to help you succeed online. Our Support, Dealer Strategy and Marketing teams are here to provide you assistance as you need it.