

Earth Medicine Hemp Inc.



Important Findings

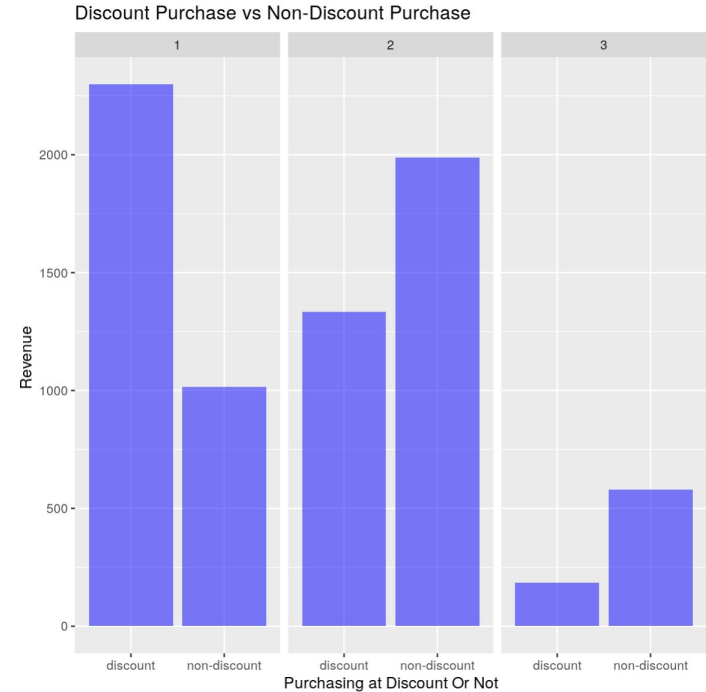
- Goal: Create a new pure CBD company offering high quality products.
- Founded in 2019 Q1
- Sales Channels: Website Sales
- Product: 3 product types, 10 SKUs
- Strategy conducted to address low sales:
 - Offered price promotion
 - Added Affiliate Sales channel by placing products in local cannabis stores, yoga studios, and drug stores
 - Created a social media page and began affiliate marketing

From May 2nd to Sept 13th, 2019:

- Low sales: 11.25 transactions/week
- Small customer base: Only 50* unique customers
- Purchase Frequency: 1.67 orders/customer
- Product Variety Seeking: 1.783 product/order
- 52.94% customers are repeat customers, average repeat interval is 29 days
- Repeated customers tend to purchase at non-discount prices
- Prices of different products are relatively stable but revenues are varied and the drop in price is not expected to lead to the increase in unit sales
- Frequent buyers generate higher unit sales than less frequent customers
- Website sales take a large proportion of total sales (more than 80%)

Strategic Implications

- Transaction and customer base are fairly low → need to marketing the brand
- Most customers are repeat customers → quality are recognized by customer
- New customers tend to buy during discount → they are hesitant to try new products or new brand
- More repeating purchase at non-discount prices → less price sensitive, more concerned with quality in hemp market and willing to pay for premium
- The revenues across different products fluctuate over time → consumers are still exploring their tastes and preferences as new options become available
- The current low sales after taking some marketing efforts → the effect of affiliate marketing is below expectation



Recommended Actions



- Increase brand awareness:
 - Cooperate with lifestyle related retailers, such as Anthropologie, Urban Outfitters
 - Advertise in places that people will see (Manufacturing Expo, Local Farmers Market, Trade Fairs, etc)
- Switch from price promotion to intensively promoting the high quality of products
 - Emphasize that EarthMed product stands out from competitors by quality
 - Offer free samples to attract new customers and understand their tastes
 - Give return customers rewards (e.g. travel size products) and offer bonus to customers who write reviews
- Collaborate with appropriate online personalities or celebrities:
 - Lifestyle Bloggers, Fitness Bloggers, or Vlog Youtubers
 - With solid and active audience base (followers > 100k, decent amount of likes and comments under each post or video)
 - Refer to the previous campaign to validate the effectiveness of collaboration
 - Implement the UTM to track the sales traffic each campaign will bring (Measure ROI)