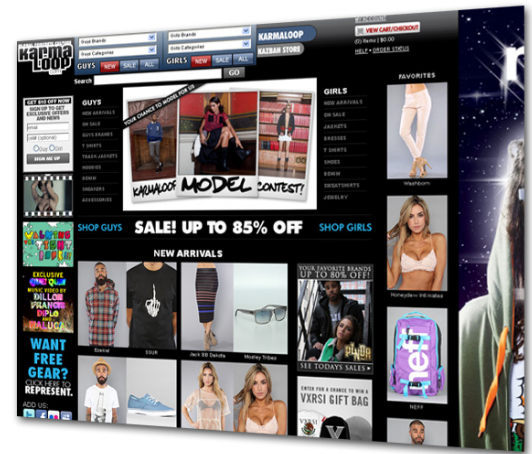




Karmaloop: Captures Trends and Converts Clicks Across Multiple Engines

COMPANY OVERVIEW

Karmaloop has established itself as one of the world's largest and most-respected online retailers of "streetwear" (including footwear, apparel and accessories). The Boston-based company has been able to create an active and loyal customer base by providing universal reach for hard-to-find boutique brands via the internet. Thanks to a highly successful representative program that pays loyal customers in merchandise and cash to become brand advocates, Karmaloop has expanded from a one-computer-company that warehoused its inventory in the founder's parents' basement, to a \$72 million online pioneer that is now considered the epicenter of "verge culture."



SITUATION

Having built a cult-like following, Karmaloop's brand was already so popular with its online community that 60% of its traffic came from visitors who typed "karmaloop.com" directly into the address bar. So what about the rest? Karmaloop was determined to make sure these additional shoppers and more made their way to the site.

Karmaloop was experimenting with an in-house solution to expand to paid search and comparison shopping engines, but its catalog was growing too quickly to manage this manually. Further, focusing on this niche market was like aiming at a moving target, a pastime that took a lot of energy and manpower. "Karmaloop specializes in trendy clothing for young adults, a demographic that is capricious and unpredictable," Karmaloop Director of E-Commerce and Digital Marketing Natasha Chu said. "The constant state of flux forces us to continually reevaluate the market and reinvent our offerings."

After narrowing a short list of potential service providers, Karmaloop found an ideal match in ChannelAdvisor. "We needed an automated solution to keep us nimble on our feet so we could make changes literally overnight," continued Chu. "We knew ChannelAdvisor had the technology and industry insight to make us profitable on the engines quickly."

Location: Boston, MA
 URL: www.karmaloop.com
 Industry: Streetwear and Accessories

“ChannelAdvisor provided a flexible solution to expand our online presence and help us sell more in an industry where retailers live and die by their ability to predict trends.”

- Natasha Chu
 Director of E-Commerce & Digital Marketing
 Karmaloop

SOLUTION

Karmaloop implemented both ChannelAdvisor's Paid Search and Comparison Shopping solutions to capture audience share in a multichannel approach. After compiling information about its customers and competitors, Chu used ChannelAdvisor's solutions to test various scenarios and specific engines to capture its niche demographic of young, Web-savvy consumers.

Karmaloop sent its product feeds through ChannelAdvisor's Comparison Shopping solution to manage campaigns around predefined performance metrics. With the Comparison Shopping Merchandising Engine, Karmaloop could make campaign adjustments that improved its relevance in shopping queries, reduced overall spend and removed unsuccessful products before they affected profitability.

Using ChannelAdvisor's Keyword Term Generator, Karmaloop quickly expanded its descriptive terms to give its Paid Search spend more punch. They added long-tail search terms, including hundreds of keywords and key phrases outside of the obvious keywords to deliver a consistent presence across all search engines. ChannelAdvisor's Search Marketing Analytics allowed Karmaloop to pinpoint the precise terms that were driving profits - resulting in more traffic, more shoppers and more sales volume.

Also, ChannelAdvisor's intuitive user interface offered Chu a dashboard from which she could keep a constant finger on the pulse of the Karmaloop Paid Search and Comparison Shopping campaigns, and become instantly aware of any issues that needed his immediate attention.

RESULTS

After adopting Paid Search and Comparison Shopping, Karmaloop saw a 52% year-over-year increase in revenue during its peak month in 2011 and a 180% increase in overall international growth. Chu attributed Karmaloop's rush of online success to ChannelAdvisor. "With industry-specific expertise and advice, ChannelAdvisor provided a flexible solution to expand our online presence and help us sell more in an industry where retailers live and die by their ability to predict trends," concluded Chu.

Due to the overwhelming success with ChannelAdvisor's Paid Search and Comparison Shopping solutions, Karmaloop has recently launched on eBay through ChannelAdvisor's Marketplaces solution. Check back for future updates on Karmaloop's success.

ChannelAdvisor Solutions

Marketplaces

With ChannelAdvisor's Marketplaces solution, retailers have an incredibly effective tool for harnessing the clout of sites like Amazon, Buy.com and eBay – one that covers everything from the automated delivery of accurate product data to each marketplace, to best practices for helping products stand out in a crowd, to the trouble-free management of online sales.

Paid Search

Our Paid Search solution takes the basics of this essential channel and supercharges them specifically for retailers. Meaning? It's now not only possible, but also practical and very cost-effective, to manage, automate and maximize the visibility of campaigns across all the top search engines – including Google, Bing and Yahoo!

Comparison Shopping

Comparison shopping sites exist to let consumers see the big picture. Our Comparison Shopping solution enables retailers to do the same – offering the ability to get a good look at the entire landscape, market products across multiple sites easily and effectively, and focus in on the most persuasive campaign strategies. All of which means more control, more relevancy and more opportunities for sales.

Webstores

Rich Media