

How Grasshopper Mower Took Control of Amazon, eliminated Channel Conflict, and Profited in the Process



# Grasshopper CASE STUDY of Success



# **OVERVIEW: THE SITUATION**

Leading commercial lawnmower manufacturer Grasshopper is known as an innovator in their industry. The inventor of the zero-turn lawn mower, Grasshopper prides itself on building top of the line lawnmowers with long lives. As such, Grasshopper has a robust post-purchase service and customer support operation, offering maintenance, parts, accessories, and upgrades for its mowers, many of which are in the field for over two decades. Since 1969, the company has sold its products through an international base of dealerships, serving institutions, government agencies, higher education, and large corporations around the world.

While Grasshopper had built a robust business and strong market position, in recent years management was increasingly confronted with a set of market dynamics which put their business at risk. Their traditional selling and support channel, brick and mortar dealers, were not providing the same coverage or level of service to the ultimate customer – those using Grasshopper mowers in the field. Specifically, management observed:

- 1) Grasshopper's dealers were undergoing a change. The company's dealer base was turning over, closing, or, in some cases, pivoting to other types of businesses. Many of the company's legacy dealers were mom and pop businesses with little succession planning, and some were converting to Ecommerce operations.
- 2) Dealers were changing how they did business, introducing more product lines that were competitive to Grasshopper in their showrooms. As a result, the dealers weren't stocking many of the parts and accessories that Grasshoppers' mowers need in order to reach their lifetime potential. End users were being left out in the cold and were not able to effectively service their mowers.
- 3) A dramatic increase in number and types of uncertified and counterfeit aftermarket parts and accessories for Grasshopper mowers were becoming available on Amazon. Many of the items for sale on Amazon did not meet Grasshopper's standards and their use could potentially damage equipment



A thorough search of Amazon identified numerous aftermarket parts for Grasshopper's mowers, some of which were being sold at a disturbingly low prices and all of the products were poorly presented on the marketplace. There were even items that Grasshopper didn't produce that were being represented as certified parts. Worst of all, the company didn't know the companies were that were selling these products. There was no control. It was the wild west.

That's when they turned to Enceiba for guidance and help.

# **Analysis, Strategy & Execution**

Enceiba's first step was to conduct a thorough inventory of what was being sold on Amazon to understand the situation. Enceiba analyzed all products being sold on Amazon, both aftermarket and those manufactured by Grasshopper, looking at how they were presented, who was selling them, and at what price.



Enceiba showed us that Amazon could be a viable sales channel for us that didn't have to compete with our traditional resale partners.

We now view the Amazon marketplace as a core part of our business and are actively working to grow our presence there.

- Trent Guyer VP Marketing & Digital Strategy From this analysis, Enceiba was able to develop a strategy to not only address the control issues, but to strengthen Grasshopper's positioning on Amazon. Foundational to the recommendations was establishing Amazon control through a Minimum Advertised Price policy (MAP) and a distribution agreement for resellers. The program also included a monitoring and enforcement plan, leveraging Amazon's own tools, including Brand Registry, and an approach to improving and optimizing Grasshopper's brand and product presentation on Amazon.

Enceiba then executed the plan to claim Grasshopper's rightful place on Amazon. This included taking control of all brand content, which enabled Enceiba to capture search data and understand how buyers were looking for and purchasing Grasshopper's products.

Encieba conducted a brand makeover on Amazon, launching a company-owned Seller Central account, cleaning up all of Grasshopper's listings, consolidating duplicate products, eliminating counterfeit items, and raising prices to match the MAP. Dealers were contacted to accept Grasshopper's distribution and MAP agreements.

## **Results:**

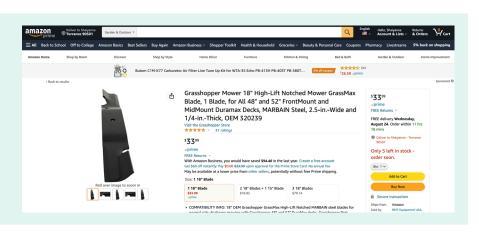
After a year of implementation of the Amazon strategy, Grasshopper's business on Amazon has not only stabilized, but grown significantly. Parts sales grew extremely quickly, dramatically expanding revenue. To date, Grasshopper has over 500 SKUs on the platform, and the company is adding more every day with Enceiba's help.

Grasshopper is selling products on Amazon that they didn't expect to sell. By offering hundreds of parts, Grasshopper is able to take advantage of Amazon's search engine and massive reach. The brand is now easy to find online. Buyers can locate, purchase, and quickly receive parts that are hard to find, many of which are available through Amazon's quick-ship Prime program. Users of Grasshopper's mowers that had not been effectively served by dealers can now easily purchase critical parts and accessories. These buyers can now get the parts they need, and don't need to purchase inferior quality aftermarket parts. Establishing a brand presence has helped Grasshopper to recapture sales that were previously lost to unofficial and potentially dangerous aftermarket parts.

At the start of its Amazon program, Grasshopper's management was concerned with channel conflict. Would the traditional dealer channel view the company's own selling efforts on Amazon as competitive? After a year of selling products on Amazon, Grasshopper has received zero complaints from its traditional resellers and channel partners. It turns out that 70 percent of Grasshopper's buyers on Amazon are more than a 40-minute drive from an authorized dealer. Amazon addresses a different customer than the traditional dealer base, and, by maintaining the price at MAP, channel conflict is actually reduced. A win-win-win for Grasshopper, its dealers, and, ultimately, the Grasshopper user in the field.

Today, Grasshopper is better serving their ultimate customer while achieving an increased margin and revenue that results in capturing full retail price and new sales on Amazon.





Has selling on Amazon been frustrating? Do you know you have opportunity, but don't know how to take advantage of it?

### We can help!

Contact Brian Beck, Managing Partner at Enceiba, at brian@enceiba.com to discuss a strategy that will help you to take advantage of your opportunity.