

Philips Certified eBay Auctions: Building a brand extension with consumer product returns

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Dan Brazelton
Philips Electronics

The Situation:

These days it is impossible for any corporation to ignore sales activity in the eBay channel. Philips Electronics is no exception. This Fortune 100 sized company would see up to 10,000 of their products for sale on eBay each day.

The Solution:

Rather than view eBay as a conflict to other channels, Philips decided to bring its products where consumers were demanding them. This would provide visibility and control of the channel. To do this, Philips needed to partner with an expert in on-line auction and brand management within the eBay marketplace. Philips engaged Channel Velocity to build a branded eBay storefront to consolidate sales of its recertified products in the channel. This allowed Philips to sell recertified product at premium prices to price sensitive but brand loyal customers. Ultimately this would move inventory quickly and provide higher recovery rates than available alternatives.

The Results:

Currently, Channel Velocity provides a fully outsourced retail operation behind the eBay storefront, allowing Philips to focus on market strategy. CV stores, merchandises and auctions the inventory, provides sales support, payment processing and extended factory warranties. Channel Velocity also built a Philips-branded eBay presence to insure that each consumer touch point is consistent with the company’s brand.

“Of any channels we have used in the past, Channel Velocity’s solution for eBay has been by far the easiest. Channel Velocity quickly built Philips’ branded auction site, merchandised our products and handled all the consumer transactions. Channel Velocity has netted cash for our excess inventory with minimal effort from Philips.”

Dan Brazelton
National Sales Manager
Refurbished Products
Philips Electronics

Channel Velocity is a eBay
certified Solutions Provider.



Case Study Highlights

- 63% average monthly sales increase
- Branded store launched within 2 weeks
- 99% positive feedback
- 99.99% fulfillment accuracy

“Channel Velocity truly understands the problems of asset recovery and has tailored solutions to handle them painlessly and profitably.”

Greg Fant
Vice President of Marketing
eBay Inc.

PHILIPS

Corporate Profile

Philips Consumer Electronics is a world leader in domestic appliances, consumer electronics, lighting, and semiconductors. Its main product lines of the consumer electronics segment are television, video, audio and set-top boxes. In 2003, total worldwide sales exceeded \$35 billion.

How it Works:

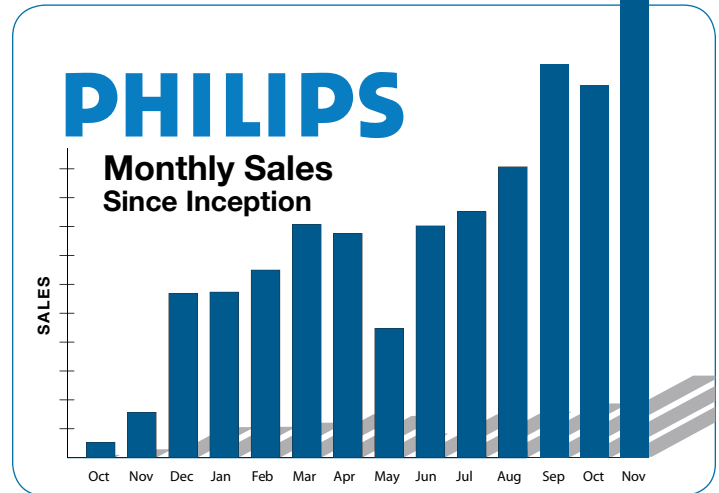
- 1 Starting the program was simple. Channel Velocity helped Philips develop the marketing strategy tailored for the unique issues of the eBay channel.
- 2 CV built the Philips eBay store and designed it to be consistent with the Philips brand guidelines.
- 3 CV set-up payment processing for credit cards, money orders and even Paypal which now constitutes over 70% of Philips Certified Auctions transactions on eBay.
- 4 CV support staff was trained on all Philips products and handled responsibility for end customer support. Extended warranties were also added to the eBay offering. This increases warranties from 90 days up to 4 years.
- 5 CV provided warehousing and fulfillment for Philips which included individual item pick/pack/ship services. They continually operate at 99.99% accuracy rate for fulfillment.
- 6 Lastly, CV auction managers handled all the details of day-to-day auction management and supervised the customer support for Philips.
- 7 The end result was a turn-key program that allowed Philips to send product to CV, receive detailed reports and reap a new cash flow from a new channel.

"The missing ingredient for the eBay channel has been an easy way to enter and an effective way to protect both your brand and channel partners. We saw this as a barrier to adopting eBay so we built a company around the concept"

Wes Shepherd
President and CEO
Channel Velocity



Bottom: Philips Certified Auctions Ad Banner
Right: Philips Certified Auctions eBay Auction Template
Top: Sales Growth



PHILIPS Certified Auctions

Philips 26PF9966/37B 26" LCD HDTV Widescreen TV
EXTENDED WARRANTY AVAILABLE - PHILIPS CERTIFIED STORE

Starting bid: **US \$779.95**
Place Bid >

Buy It Now price: **US \$799.95**
Buy It Now >

Time left: **6 days 5 hours**
7-day listing, Ends Sep-27-05 17:30:38 PDT

Start time: Sep-20-05 17:30:38 PDT

History: **0 bids**

Item location: Covington United States

Ships to: United States

Shipping costs: US \$39.95 - Standard Flat Rate Shipping Service (within United States)

Shipping, payment details and return policy

Seller information
philipscertifiedauctions (827)
Feedback Score: 827
Positive Feedback: 98.8%
Member since Jan-15-04 in United States

Description
PHILIPS Certified Auctions

- Audio System
- DVD
- Home Theater
- Remote
- Portable Audio
- MP3 Players
- Camera
- TV (Tube)
- TV (Tube HDTV)
- TV (HDTV Receivers)
- TV (Flat Panel LCD)
- TV (Flat Panel Plasma)
- TV (DVD/VCR Combos)

Philips 26PF9966/37B 26" LCD HDTV Widescreen TV - Renewed by Philips

Magnavox 9" TV/DVD Combo

Product Manual and Specs

Philips GoGear Jukebox 2GB MP3 Player

3D Digital Combifilter
Considered the best type of comb filter available, it separates colors and eliminates distortion to give you a razor sharp picture with breathtaking clarity.