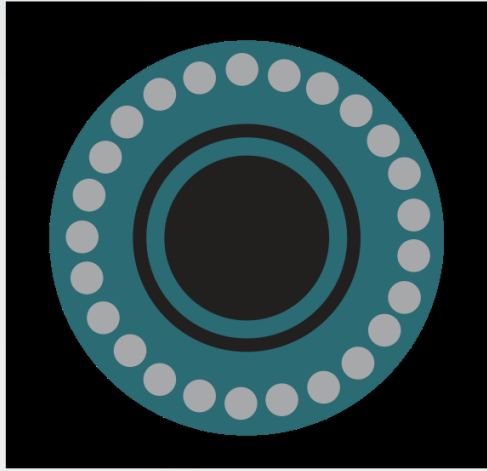


# STANFORD MEDIA GROUP

**Introducing a new way to sell online ...**





# STANFORD MEDIA GROUP

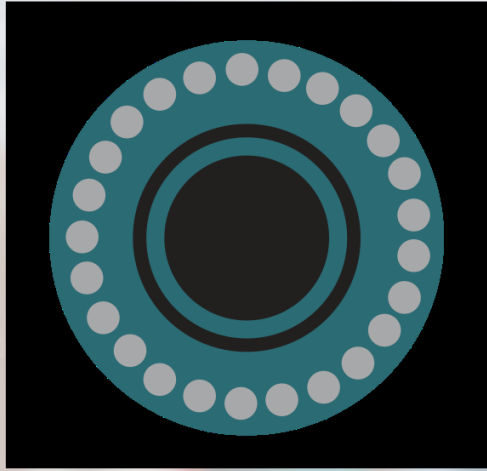
*If your feet are aching, maybe you're taking too many steps!*

**Why use 4 Steps when 1 Step is all you need?**

## Consider This

**The closer you get to the consumer, the more you can make PLUS you can know who your customer is!**

*That's a WIN-WIN!*



# STANFORD MEDIA GROUP

*One Step IS Closer...*

**If you're using Amazon FBA or Vendor Central,  
Stanford Media Group can**

**Grow Your Top Line  
While Increasing Your Bottom Line!**



*That's a WIN-WIN!*



# STANFORD MEDIA GROUP

*There ARE options to "the Shrinking Dollar"*

## Online Sales: The Old-Fashioned Way

Most people who want to get into the e-commerce business think there are only two ways to go: Marketplace, most often Amazon Seller Central/FBA, or wholesaling, generally through Amazon Vendor Central. But there are drawbacks:

- Marketplace sales are impacted by escalating fees and hidden costs.
  - Amazon fees now account for more than 50% of sales proceeds\*
  - Mandatory advertising and other requirements
  - Pressure on pricing
- Wholesaling to Amazon or any of the other e-commerce giants comes at a high price.
  - Complete loss of control
  - Markup of 50% or more leaves seller with less than half the retail price
  - No customer insights

*That's a LOSE-LOSE!*

\*Marketplace Pulse (2023, February 13). *Amazon Takes a 50% Cut of Seller's Revenue.*



# STANFORD MEDIA GROUP

*There ARE options to "the Shrinking Dollar".*

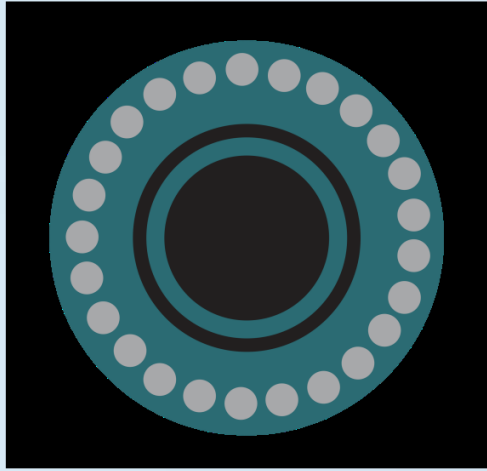
## Online Sales: The Modern Approach

Selling directly to consumers through the Stanford Media Group is the smarter choice.

- Increased Top Line
- Bigger Bottom Line
- Lower Fees
- More Control
- Insightful and Transparent Customer Data



*That's a WINNING FORMULA*



# STANFORD MEDIA GROUP

*What We Do and How We Do It*

The Stanford Media Group has developed a new one-step solution for online selling that delivers results.

- SMG allows clients to sell their products directly to consumers on all the major online marketplaces – *Amazon, Walmart.com, eBay, Etsy, etc.*
- We capitalize on their traffic without giving up control.
- You set the price, we do the rest – *fulfillment, shipping, warehousing and all the other backroom stuff.*
- We specialize in branded media products – DVDs, Blu-ray Discs, CDs, books, video games.
- Hand us the Baton and we'll run with you.
  - **We have 25 years of experience in selling direct to consumers – we know what we're doing!**

# STANFORD MEDIA GROUP

Do the Math...

## BEST CHOICE

One Step Distribution Margin Analysis					
SRP		\$39.95	34.95	29.95	24.95
Wholesale Cost					
Amazon Marketplace		\$7.79	\$7.04	\$6.29	\$5.54
One Step Distribution		\$2.00	\$1.75	\$1.50	\$1.25
Pick Pack		\$2.25	\$2.25	\$2.25	\$2.25
Postage		\$3.85	\$3.85	\$3.85	\$3.85
Warehousing					
ChargeBacs					
Total Fees		\$15.89	\$14.89	\$13.89	\$12.89
Additional Expenses Per Unit					
Shipping Costs to O		\$0.15	0.15	\$0.15	0.15
Total Expense		\$0.15	0.15	\$0.15	0.15
Net After Expenses		\$23.91	\$19.91	\$15.91	\$11.91

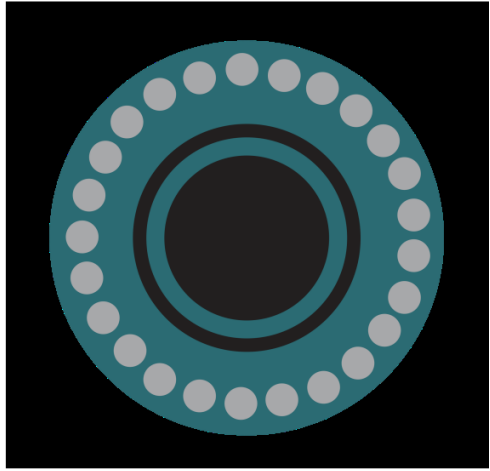
## NOT SO GOOD

FBA					
SRP		\$39.95	34.95	29.95	24.95
Wholesale Cost					
Amazon Marketplace		\$7.79	\$7.04	\$6.29	\$5.54
FBA Fee*		\$3.22	\$3.22	\$3.22	\$3.22
Pick Pack					
Postage		\$0.50	\$0.50	\$0.50	\$0.50
Warehousing		\$4.47	\$4.47	\$4.47	\$4.47
ChargeBacs		\$2.00	\$2.00	\$2.00	\$2.00
Total Fees		\$17.98	\$17.23	\$16.48	\$15.73
Additional Expenses Per Unit					
Shipping Costs to O					
Total Expense					
Net After Expenses to		\$21.97	\$17.72	\$13.47	\$9.22

\*Increases by .35 in Q4 and assumes an item less than 4 oz.

## REALLY NOT GOOD

VENDOR CENTRAL					
SRP		\$39.95	\$34.95	\$29.95	\$24.95
Wholesale Cost		\$17.98	\$15.73	\$13.48	\$11.23
Advertising		\$2.40	\$2.10	\$1.80	\$1.50
Cost to Amazon		\$15.58	\$13.63	\$11.68	\$9.73
Return Reserve		\$0.78	\$0.68	\$0.58	\$0.49
Postage		\$0.25	\$0.25	\$0.25	\$0.25
Warehousing		\$0.75	\$0.75	\$0.75	\$0.75
Chargebacks		\$1.00	\$1.00	\$1.00	\$1.00
Prep Fees-Client		\$0.50	\$0.50	\$0.50	\$0.50
Total Fees		\$3.28	\$3.18	\$3.08	\$2.99
Return to Seller		\$12.30	\$10.45	\$8.60	\$6.74



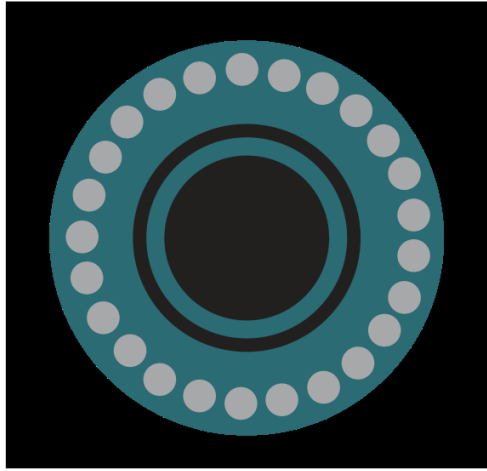
# STANFORD MEDIA GROUP

## Why Sell Direct?

- Shoppers like it when brands interact directly with them.
- Personal connections typically lead to higher sales.
- For sellers, dealing directly with their customers allows them to save money, since there's no middleman, and maintain control.
- More and more big brands are going direct, including:
  - Tesla, which bypasses traditional car dealerships;
  - HP, which allows customers to select and customize their computers via the company's online store.
  - Nike, which is two years into a big shift toward direct-to-consumer. In June 2022, the sportswear giant reported that direct revenues grew 11%\*. Nike EVP and CFO Matt Friend said, "Two years into executing our Consumer Direct Acceleration, we are better positioned than ever to drive long-term growth while serving consumers directly at scale."
- \*Abdulla, H. (2022, June 28). *Direct-to-consumer continues to serve Nike well say experts*. Just Style.







# STANFORD MEDIA GROUP

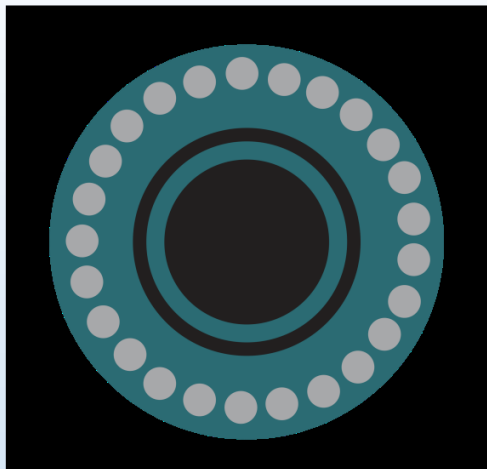
**So Who Are We?**



SMG has over 25 years of experience with selling products directly to consumers -- mostly branded media products, including a wide assortment of DVDs and Blu-ray Discs ranging from Raiders of the Lost Ark to Beverly Hills Cop, from NFL Films to Leslie Neilson's Bad Golf Made Easy.

Since SMG focuses on exclusive products, the company – and the seller – don't have to worry about the product being compromised through sudden and unexpected things such as price drops or a surge in supply. And unlike proprietary seller programs, there is no risk of inventory shortages because the seller, working closely with SMG, knows exactly what's in stock at any given time, is provided with real-time sales reports, and can thus track and react to advance orders.

CEO Mark Gilula is a veteran of the home entertainment business. He ran several home video companies at the height of the VHS era and then oversaw the transition to DVD and the shift in consumer habits from renting cassettes to buying and collecting discs. He staffed, trained and mentored the sales and marketing organization for a startup, which generated \$20 million in incremental sales for the parent corporation, and held a series of progressively more responsible positions at such major organizations as the World Wrestling Federation and Capital Cities/ABC (now part of The Walt Disney Co.).



# STANFORD MEDIA GROUP

Learn more about our new way to conduct business!

## Any Questions?

Contact us:

Mark Gilula

Stanford Media Group

203-313-3818

[mark@stanfordmediagroup.com](mailto:mark@stanfordmediagroup.com)