

ZIGNIFY GLOBAL PRODUCT SOURCING CASE STUDY

How a Beauty Accessories Company
saved 500k per year + reduced import
taxes cost in the USA with 3 hours
Sourcing



OVERVIEW

The Customer and The Challenge; the Customer is an experienced eCommerce seller in the **Beauty Accessories** niche, who sold already lots of units in several million dollar digit per year and the Challenge is that he is selling in the USA. Due to Trump tariffs, goods imported from China was set with escalated customs duties. High import taxes, additional cost on top of the normal product plus shipping cost were all imposed. Therefore, reducing the margin on the products. The concept of optimizing it would be to obtain lower shipping cost and to find a producer in another country, which is not China.

RESULTS THAT SPEAK VOLUMES

How Zignify went about it: We examined the products and targeted to find new suppliers with the same or better quality in a different country. We explored in other Asian countries as it is rational that the product would be produced there. We found many suppliers, cross checked their different proposals including their samples and within a short time period, we finally discovered the perfect **manufacturer in Vietnam**. Products with better quality were produced and passed Quality Control plus we gained the advantage of actually manufacturing the product for 1USD cheaper per unit.

The End Result: Finding a **supplier in Vietnam** was a blessing in disguise for us and for the client because the country's import taxes have been in the far 2 digits. Since the seller purchased a lot of units we helped him saved 300,000 in the first year and the next year 500,000 due to 1USD cheaper per unit cost and this will continue to increase every following year. We acquired this outcome by immediately starting working on all the other products from the same customer, in order to reduce the purchasing cost and import taxes and favorably found a new supplier with better quality and conditions.

CONCLUSION

By researching a new supplier we enabled the customer to save around 500,000 USD per year which develops into the equivalent of the bottom line profit margin.



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