

## Tipsy Elves' E-Commerce Success Story: From Start-Up to Stardom

"We were in survival mode and never in a stable place to focus on positive enhancements. Prior to partnering with Mi9 Retail, our site felt like a ship that had been patched up over the years and was always on the verge of springing a leak."

*Evan Mendelsohn, Co-Founder*




### About Tipsy Elves

Tipsy Elves, a now-well-known holiday-themed apparel retailer, is the creation of a corporate lawyer, Evan Mendelsohn, and a dentist, Nick Morton. During the 2011 holiday season, the former college roommates realized a void in the "ugly Christmas sweater" market. They capitalized on the opportunity to do what no one else was doing – market and sell outrageous holiday sweaters online.

After selling more than 5,000 sweaters online in their first year, Evan and Nick appeared on the award-winning ABC television show, Shark Tank, in December 2013. They walked away with a new partner and mentor, Robert Herjavec, who now describes Tipsy Elves as "the best performing investment I have made since joining the cast of Shark Tank."

After their TV debut, new partnerships, celebrity exposure, and orders came rolling in. As the business took off, its e-commerce platform lagged behind, stifling its growth as a result.

### Problem

Tipsy Elves faced growth-inhibiting issues with its former e-commerce platform, from outages and performance problems to duplicate orders and site crashes. Tipsy Elves needed a reliable e-commerce platform that could scale with its growing business, support peak traffic, and upgrade regularly and seamlessly.

### Solution

- Mi9 e-Commerce

Mi9 Retail launched Tipsy Elves' new direct-to-consumer website on time and on budget in less than 6 months.

### Results

- 13% increase in revenue
- 46% reduction in average page load time
- Increased average order value, conversion rates, and total transactions



2011

Two friends identify a void in the "ugly Christmas sweater" market and begin selling outrageous holiday sweaters online.



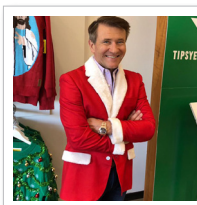
2011 - 2012

The duo selects Magento for their e-commerce platform.



2013

Tipsy Elves appears on the award-winning television show, Shark Tank, and Robert Herjavec joins forces, investing \$100,000 for 10% of the company.



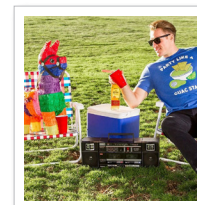
2013 - 2018

Robert Herjavec makes his investment back after just a few months.



2018

Tipsy Elves successfully re-platforms with Mi9 Retail to run its online business. They sell more than 2K products and make >\$70M in sales to date.



2019

With a reliable e-commerce platform in place, the team can proactively grow in new ways. Tipsy Elves achieves record sales of >\$100M to date.

## A ROCKY ROAD WITH TECHNOLOGY

Tipsy Elves embarked on its e-commerce journey on the Magento platform in 2011. Soon after airing on Shark Tank and Beyond the Tank, site traffic hit record highs and performance issues became a regular occurrence including site crashes and outages. During peak sales periods (15-20 orders/minute), the site froze at checkout, causing customers to press the “place order” button multiple times. What was seemingly Tipsy Elves’ best sales days were actually thousands of duplicate orders that had to be manually refunded, creating a customer service nightmare and damaging its reputation in the eyes of its customers.

The most detrimental issue they experienced with their legacy platform was the 20+ site crashes during peak traffic that lasted up to half a day and amounted to \$100K of lost sales. Desperate to prevent crashes, the Tipsy Elves team set alarms in the middle of the night to reset CPU/server settings.

Other complications such as incorrect display of product names and broken links and images negatively impacted the customer experience. Many man hours were spent troubleshooting these issues, but to no avail.

### SETBACKS WITH MAGENTO

- Expensive and complicated to update
- Reliant on more than 15 third-party plug-ins for desired functionality
- Dependent upon outsourced developers to resolve issues due to lack of in-house Magento support, incurring additional cost
- Complex caching problems, broken links and image display issues on the front-end
- Regular site crashes, notably during Shark Tank airings, resulting in missed sales opportunities

### SUCCESS WITH Mi9 RETAIL

- Seamless and regular updates at no additional cost or disruption to the business
- Little to no dependence on third-party plug-ins due to the functionally-complete platform with one thousand features out-of-the-box, allowing them to eliminate costs
- 24/7 access to a full-service in-house team of project, design, SEO and web development professionals
- No caching problems, no front-end display issues
- No site crashes
- 99.99% uptime
- Able to capitalize on peak traffic during Shark Tank airings

“While other platforms would force us to conform our URLs to a specific format, the Mi9 e-Commerce tools for technical SEO enables us to maintain our current SEO structure and keep the strong search engine performance we’ve worked for years to achieve.”

- Evan Mendelsohn, Co-Founder of Tipsy Elves

## THE QUEST FOR A NEW E-COMMERCE PLATFORM

The Topsy Elves team recognized the urgency of moving onto a reliable platform that could keep up with the pace of their fast-growing business. Upgrading to the newer version was not a viable option, as they knew they'd face similar challenges that they were all too familiar with. They evaluated alternatives including Shopify and Demandware, but after weighing the pros and cons, neither seemed to fit the bill.

### Drawbacks of Shopify:

- Its rigid URL structure would likely cause a 30% drop in organic search sales due to the requirement of website redirects
- Takes a percentage of sales

### Drawbacks of Demandware (now Salesforce Commerce Cloud):

- An internal developer and agency support would be required to maintain its custom code
- Lack of in-house support

Before coming across Mi9 Retail, Topsy Elves seriously considered building their own platform in-house, which proved to be an expensive learning experience. They hired three full-time developers who spent two years building a native platform using PHP and Laravel that never came to fruition, costing them more than \$400,000/year in annual salaries alone.

## NEW BEGINNINGS WITH Mi9 RETAIL

While at a retail industry event, Evan voiced his frustrations with his e-commerce provider and the grueling process of selecting a new platform. There he met the CEO of Tea Collection, who has relied on Mi9 e-Commerce for more than a decade, and she recommended he look into it. Topsy Elves immediately saw the value of the powerful functionality and ease of use that Mi9 e-Commerce offered out of the box, and they decided to put their trust in Mi9 Retail.

### Factors that played a key role in their decision to re-platform with Mi9 Retail:

- Mi9 Retail manages the hosting, maintenance, and system integrations
- Predictable monthly fee structure
- Highly configurable platform, therefore reducing development costs
- No outsourced developers or expensive agencies required
- Functionally-complete out of the box, reducing reliance on costly third-party plug-ins

Mi9 Retail launched Topsy Elves' new website in less than 6 months, completing the project on time and on budget ahead of the holiday season. As a direct result of re-platforming, Topsy Elves realized a 13% increase in revenue, a 46% reduction in average page load time, and a spike in average order value, conversion rates and total transactions in the first year post go-live.

With newfound confidence in their e-commerce platform and the support of the Mi9 Retail team, Topsy Elves is forging ahead with plans to launch a t-shirt subscription service in the future. We're thrilled to be along for the ride as their growth journey continues to unfold.

### About Mi9 Retail

Mi9 Retail is the fastest growing provider of enterprise software for retailers, wholesalers, and brands. Mi9 enables the world's leading retailers to automate and optimize their entire Plan-to-Sell™ process, from planning to executing, influencing, and selling merchandise in-store, online, and on any device. Our corporate retail systems facilitate better planning, master data management, allocation, and replenishment, and our customer engagement and point-of-purchase systems boost revenue across digital and brick-and mortar channels. Our solutions are connected via a common analytics framework that serves as the foundation of the system and speeds time to insight with role-based dashboards, KPIs, and governed self-service data discovery. Mi9 Retail is committed to helping retailers on their path to success, so they can maximize revenue and customer engagement while minimizing costs.