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The Hidden Profit Leak Most Ecommerce Brands Ignore

Why cheap sourcing quietly destroys margins,
customer trust, and long-term growth.

A DATA-BACKED SOURCING GUIDE BY ONELINK HOLDINGS



Most Brands are Solving the Wrong Problem

When brands chase profitability, they cut product costs, shipping fees, and packaging. But cheaper sourcing creates **hidden costs that scale with volume** — and most are invisible until it's too late.

Higher Return Rates

Defects and damage drive up returns as volume grows.

Review Damage

Negative reviews compound, reducing ad efficiency and trust.

Support Overload

More tickets, refunds, and replacements drain operational bandwidth.


Acquisition Pressure

Lost repeat customers force higher ad spend to replace them.

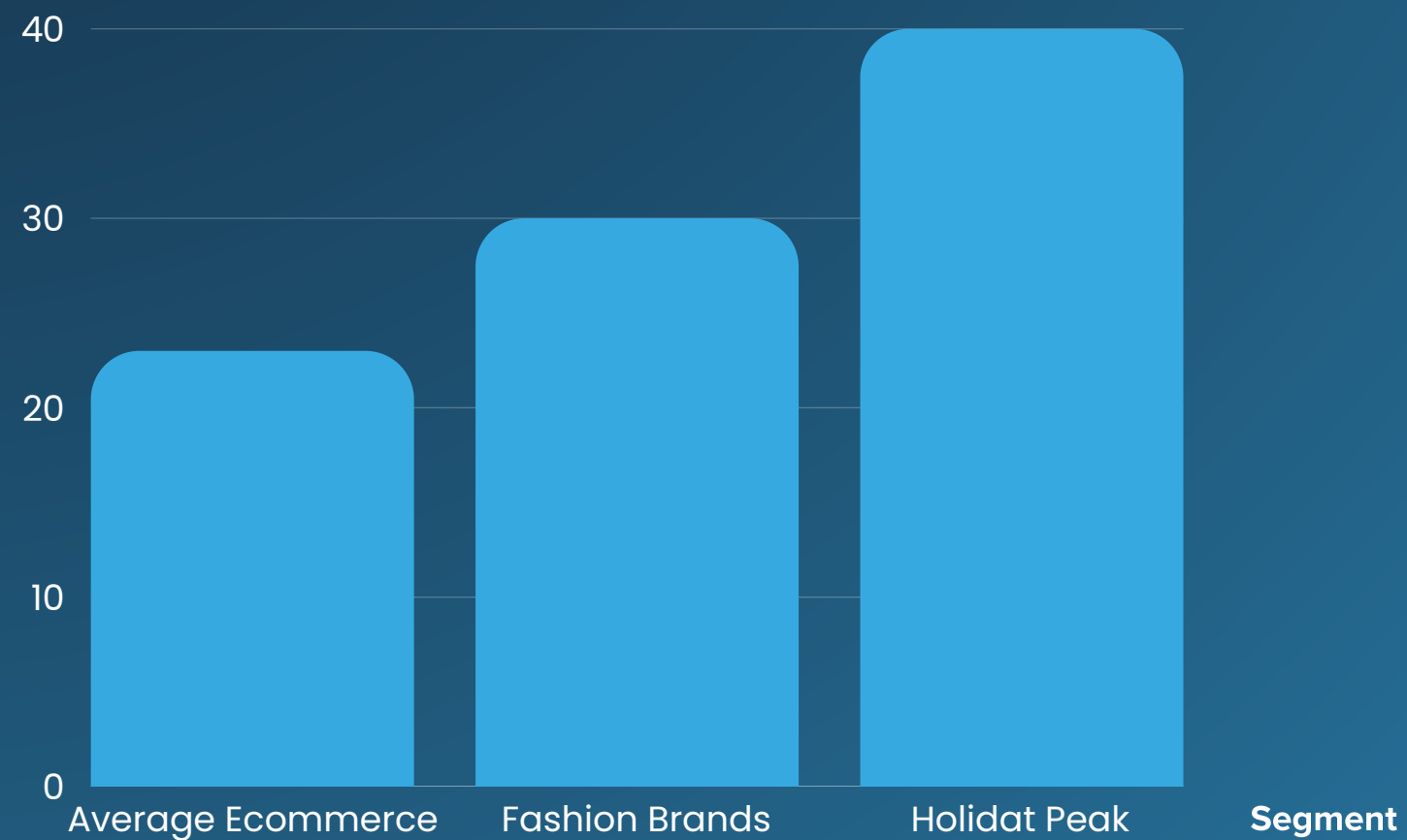
The \$1 Mistake That Destroys Thousands in Profit

Operators celebrate saving \$0.50 per unit — but rarely calculate the downstream cost. Short-term savings create long-term leaks.

Decision	Immediate Saving	Long-Term Cost
Cheaper packaging	Save \$0.80/order	Higher damage rates
Lower-cost factory	Save 7% COGS	Increased defect complaints
Weak QC process	Faster production	More refunds and replacements
Minimal shipping protection	Reduced fulfillment cost	Negative customer experience

 **The result:** The result: Brands optimize for short-term savings while leaking long-term profit.

Ecommerce Returns Are a Billion-Dollar Crisis



The numbers are alarming

- Average return rates now sit between 18–24% across ecommerce
- Fashion brands frequently exceed 30%
- Holiday periods can push returns above 40%
- Each returned item costs up to 66% of the original price after logistics and labor

For every 1,000 orders, a 10% increase in returns can erase **thousands in profit**. Small product issues scale aggressively with volume.

Customer Don't Care About Your Supplier They Care About **the Experience**

Once trust breaks, refund requests rise, reviews turn negative, and retention drops. Brands then spend **more on acquisition** to replace customers lost from poor sourcing.

Review Quality

Negative reviews spread fast and suppress conversion rates.

Repeat Purchases

One bad experience kills the lifetime value of that customer.

Ad Efficiency

Poor reviews increase cost-per-acquisition across all channels.

Brand Trust

Reputation damage is harder to fix than any sourcing cost.



The Packaging Problem Most Brands Underestimate

Many brands treat packaging as "just a shipping expense." It directly impacts damage rates, unboxing experience, and return probability.

A simple example

Saving \$1.10 per order with thinner packaging creates more damage, replacements, and complaints. At scale, the savings vanish.

Monthly Orders	Damage Increase	Estimated Loss
5,000 orders	+3%	Hundreds in refunds
20,000 orders	+3%	Major operational losses
50,000+ orders	+3%	Significant margin erosion

Case Study

Muscle Mat

Muscle Mat scaled through paid social, viral content, and strong product-market fit — serving hundreds of thousands of customers. But large foam products, bulky shipments, and comfort-focused expectations create serious operational risk during peak periods like Black Friday and Christmas.



USA's Comfiest Products

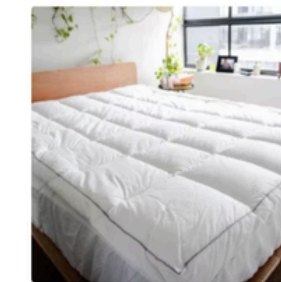
SHOP ALL PRODUCTS

★★★★★ LOVED BY 415,000+ AMERICANS AND COUNTING

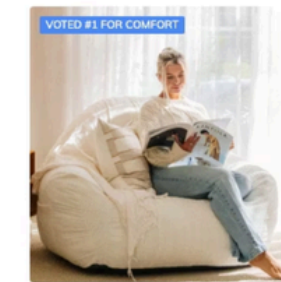
Shop Best Sellers



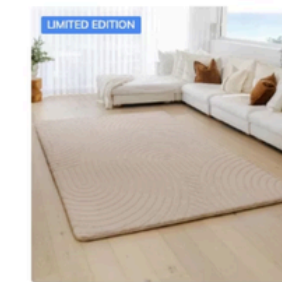
★★★★★ 4.9 (4,491)
Relax Mat - 1.4\"/>



★★★★★ 4.8 (5,441)
Muscle Mat Luxury Mattress Topper - 4 Inches Thick



★★★★★ 4.8 (62)
Luxury Foam Relax Chair
From \$199.00



★★★★★ 4.9 (884)
Designer Relax Mat - 1.4\"/>

The Challenge

Compression-sensitive materials, high-volume fulfillment, and premium customer expectations demand consistent quality — especially during sales spikes.

The Approach

Prioritize packaging durability, material consistency, and reliable supplier coordination over the lowest possible manufacturing cost.

The Outcome

Operational consistency protects customer experience, review quality, and repeat purchases — the true drivers of sustainable growth.

Cheap Sourcing vs Scalable Sourcing

The most successful ecommerce brands rarely ask *"Who is the cheapest?"* They ask *"Who is the most reliable?"*

Cheap Sourcing

Lowest price supplier

Cheapest packaging

Faster shortcuts

Short-term margin thinking

Reactive operations

Scalable Sourcing

Most reliable supplier

Lowest damage rate

Long-term stability

Lifetime customer thinking

Predictable fulfillment

i Sustainable growth comes from reducing friction — not only reducing cost.

The True Cost of Bad Sourcing

Most brands calculate product cost and shipping fees. Experienced operators calculate the **full cost of a broken customer experience**.

66%

Cost of a Return

Of the original item price, after logistics and labor.

40%

Peak Return Rate

Of the original item price, after logistics and labor.

30%+

Fashion Returns

Fashion brands frequently exceed this return threshold.

\$1.10

False Saving

Per order on packaging — that disappears in refunds at scale.

The Question That Changes Everything

Not "How can we source cheaper?" — but "How can we protect profitability while improving customer experience?"

The brands that win long-term invest in operational quality, protect customer trust, reduce return risk, and build stronger supplier relationships. The cheapest sourcing decision can become the most expensive business decision later.



**Supplier
Verification**



**Quality
Control**



**Packaging
Optimization**



**Scalable
Manufacturing**



OneLink Holdings helps ecommerce brands build reliable sourcing systems in **China** and **Vietnam** — with a focus on long-term operational profitability.

thank
you

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