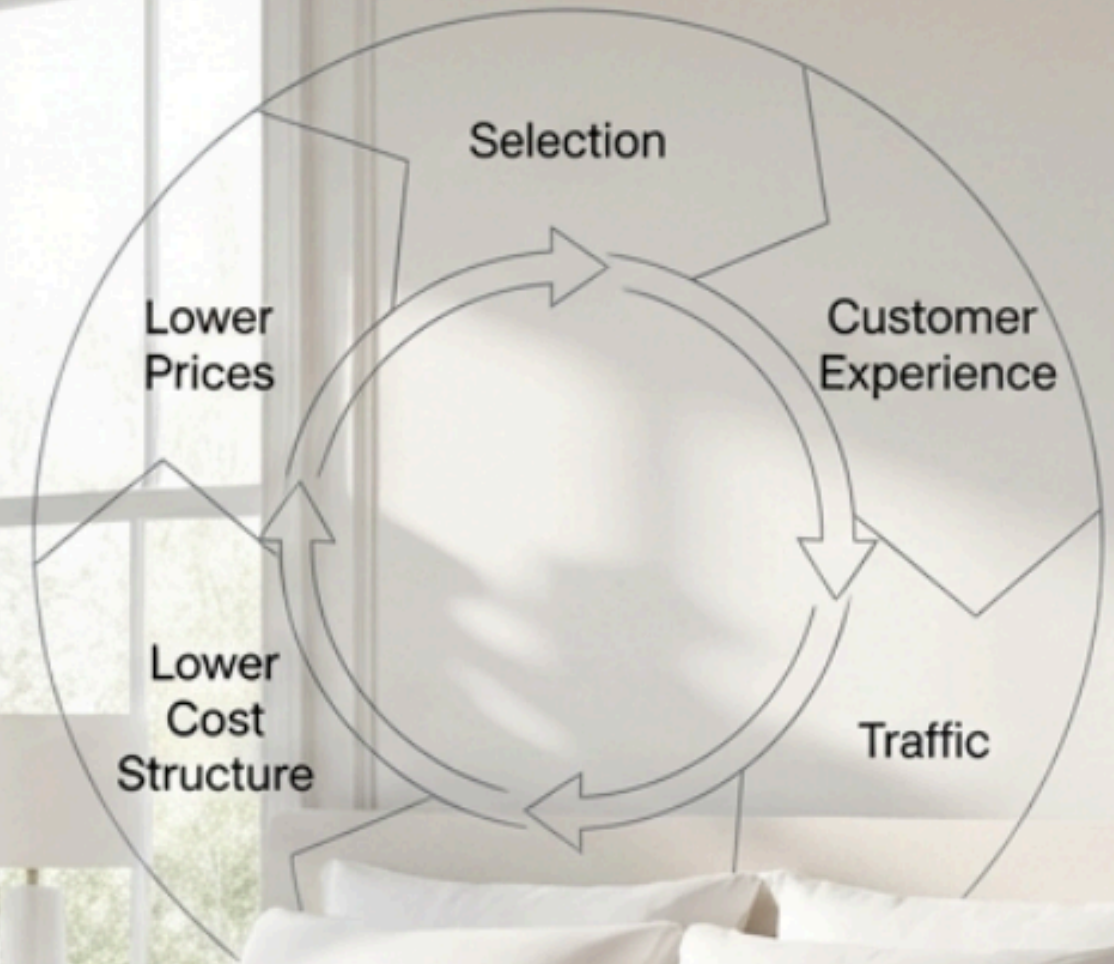


Awakening the Flywheel: A Day 1 Strategy for Gratitude

Transitioning from harvesting demand to generating growth.

Prepared for Gratitude
Proposed Investment: \$12.5MM (+25% YoY)



Executive Summary: Escaping the 'Day 2' Stagnation Trap

The Conflict

Gratitude currently views flat ad spend as “maximized” potential. However, the data indicates a “Day 2” state of stasis. While revenue appears healthy, it is driven by price hikes, masking a decay in customer acquisition.

The Reality

79.8% revenue growth is an illusion. It flatters the P&L but hides the truth: **Unit volume is down -14.7%** and **Detail Page Views are down -17.2%**. The customer base is shrinking.

The Recommendation

Reject the flat budget. Increase investment by **25%** (to **\$12.5MM**) to correct the funnel imbalance. We must fuel the top of the flywheel (Awareness/Consideration) to drive downstream branded search and achieve the target 20% organic growth.

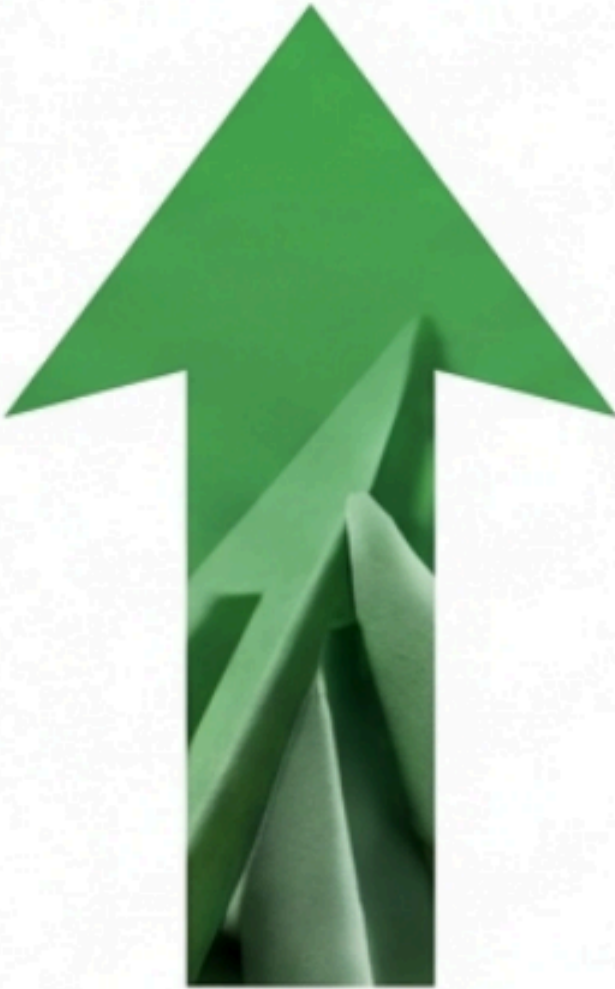
**Goal: 20%
Organic
Growth**



Through
Funnel
Expansion

The Revenue Illusion: Price Hikes Are Masking a Volume Decline

The Surface Metric (Revenue)



Ordered Revenue
\$153.7M
+79.86% YoY

Average Sales Price
\$824.65
+38.78%

The Health Metrics (Volume)



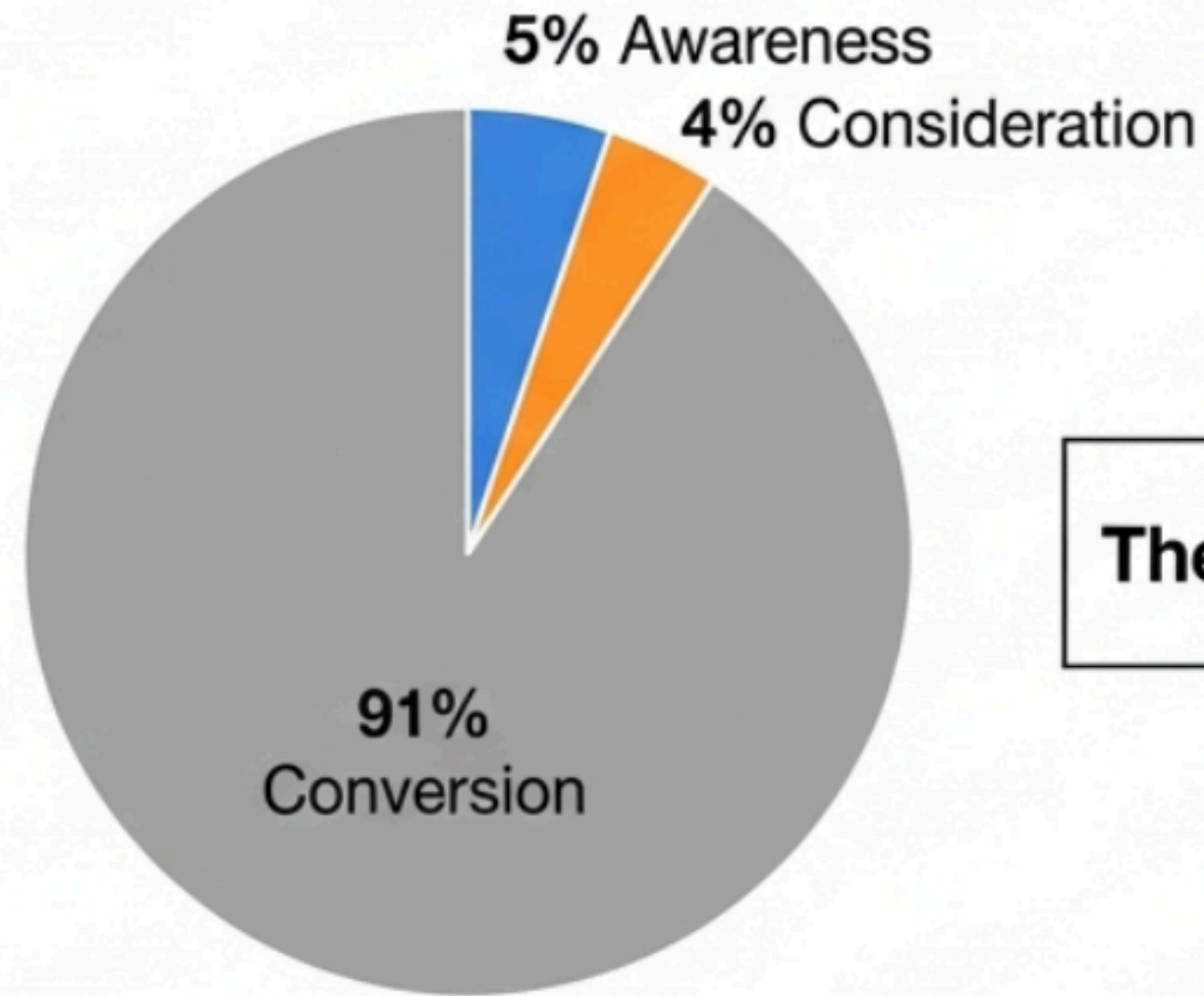
Ordered Units
186,384
-14.71% YoY

Detail Page Views
2.49M
-17.24% YoY

Analysis: We cannot achieve 20% organic growth while the customer base shrinks by double digits. The current strategy harvests existing demand at a higher price point but fails to replenish the audience pipeline. 3

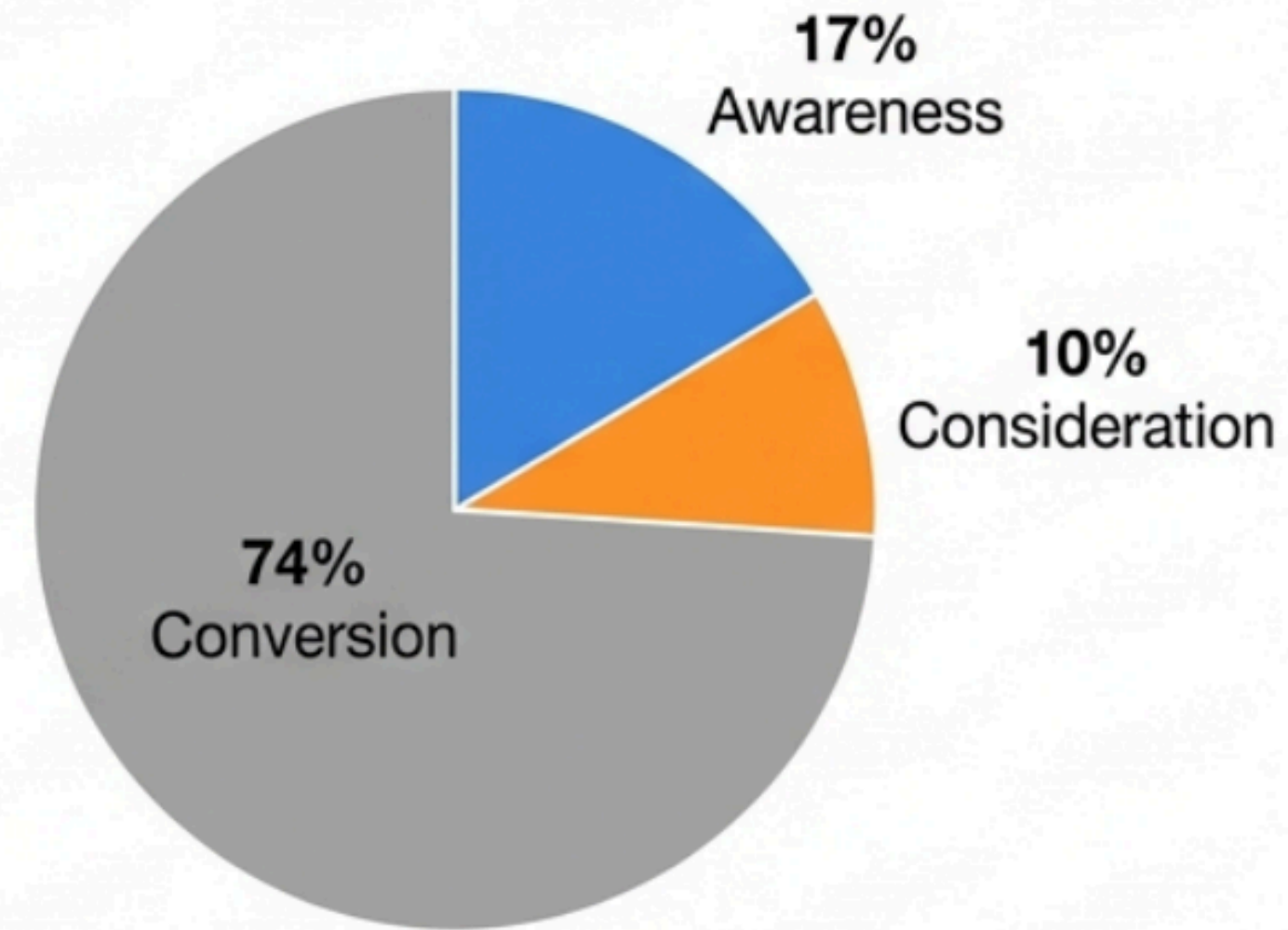
We Are Harvesting Demand, Not Planting It

Gratitude Current Allocation

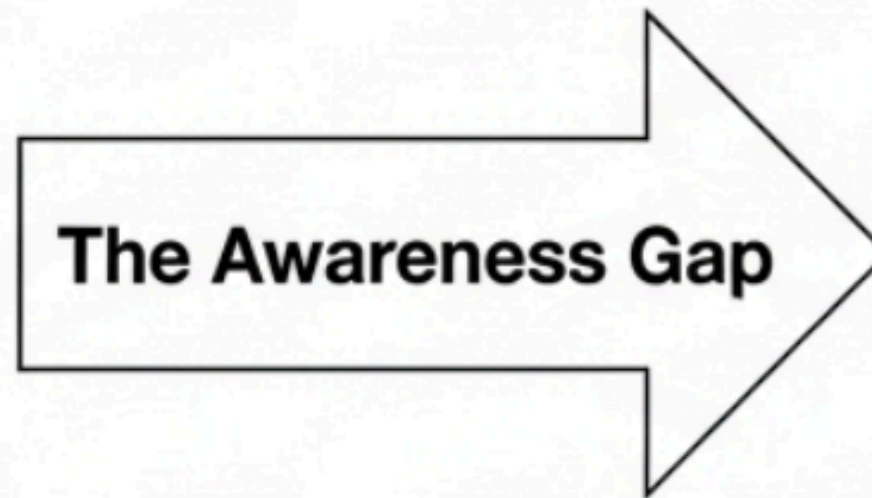


OVERSATURATED

Category Peer Average



GROWTH ENGINE

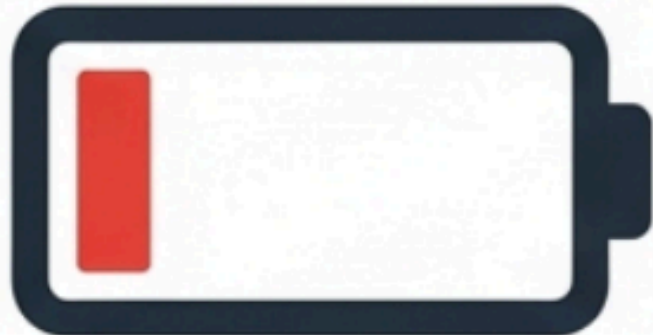


Consequence: This 22% gap in upper-funnel investment directly correlates to the -17.24% decline in traffic. We are invisible to new customers.

The Pivot: Investing \$2.5MM to Restart the Growth Engine

Current State

Flat Budget (\$10MM)



Result: Declining Units & Traffic



Proposed State

Growth Budget (\$12.5MM)



Result: +20% Organic Growth

Strategic Allocation

DEFENSE (Conversion)

Maintain robust presence to protect market share. \$1.2MM allocated specifically to remarketing & conversion.

OFFENSE (Acquisition)

Deploy incremental budget into Video (OTT/Twitch) and Display. Target: 90M+ Furniture Shoppers who have not yet considered mattresses.

Year-Long Strategy: Balancing Efficiency with Acquisition



Capturing Intent: Intercepting the Cross-Shopper



Lifestyle Triggers: Targeting the Moment of Need



*image generated with ai

The Psychology of the Purchase

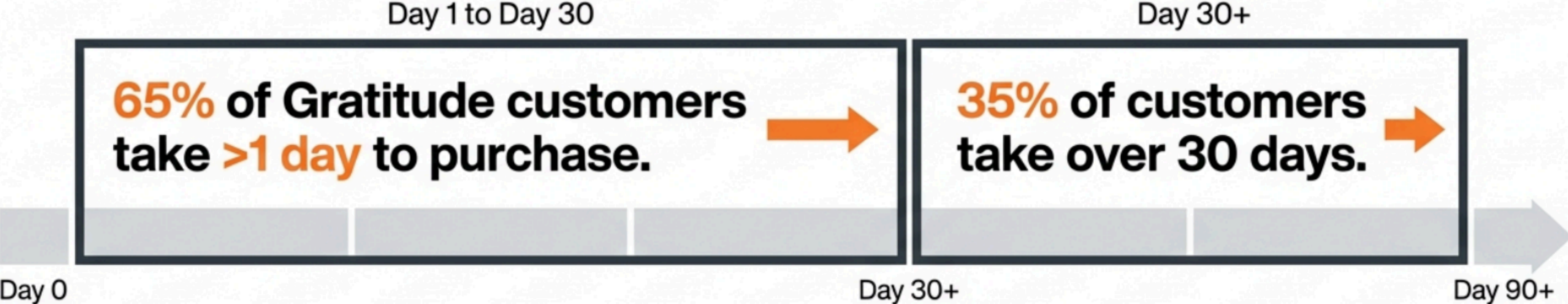
Mattress purchases are rarely impulsive; they are driven by life transitions.


Lifestyle Segment Affinity




Action: Use video creative featuring "New Home" themes to resonate with this specific psychological state.

Closing the Gap: Owning the Consideration Window



Fix 1: DSP Retargeting: Non-Purchasers 

Target viewers of Gratitude mattresses who left without buying.

Fix 2: DSP Retargeting: Competitors 

Target viewers of Competitor mattresses during their consideration phase.

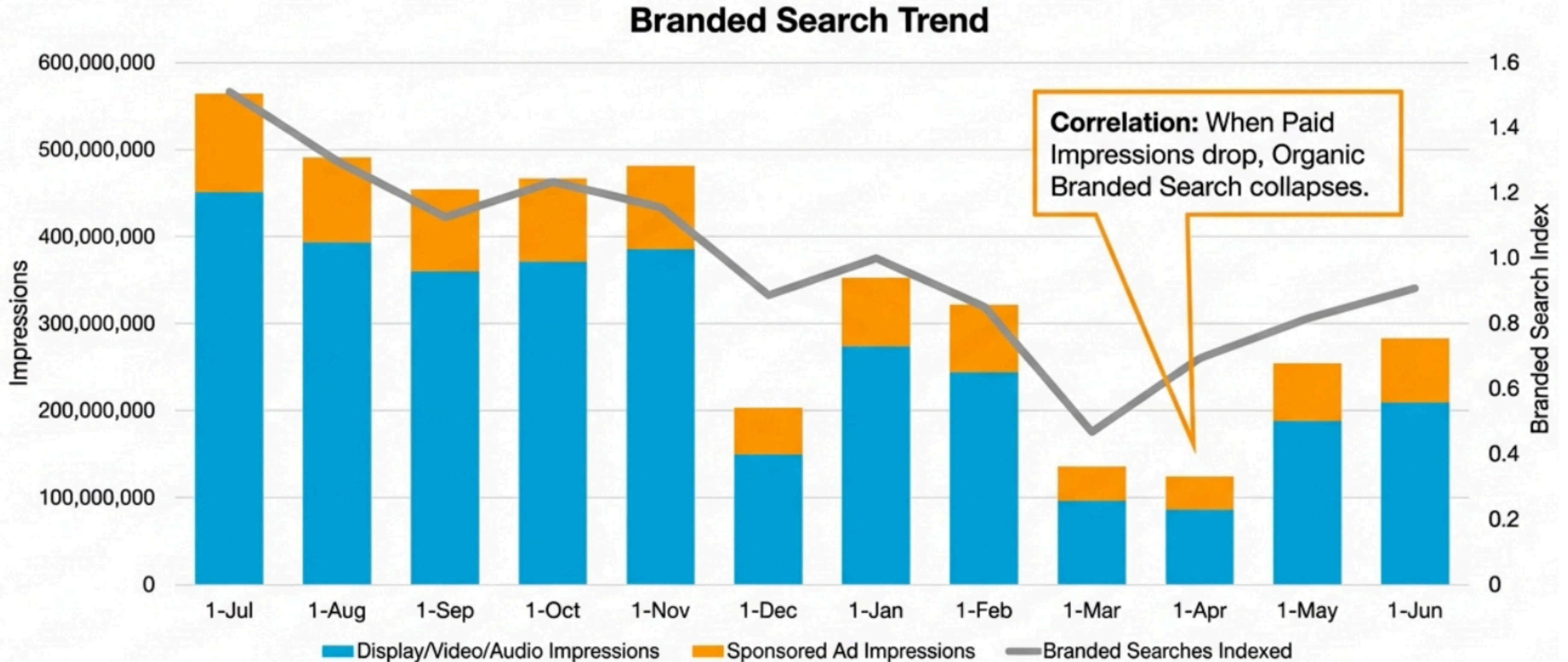
Insight: A “Same Day” conversion strategy misses the majority of our buyers. Retargeting keeps the brand top-of-mind during the critical 2-4 week consideration phase.

Growth Opportunities

Channel	Current Adoption	New-to-Brand (NTB) Rate
Audio Ads	No (0%)	92.1% <small>Highest Efficiency for New Customers</small>
Twitch Video	No (0%)	90.4%
Fire TV	No (0%)	85.4%
Devices	No (0%)	High Potential

The Opportunity: These channels represent the highest source of **NEW** customers, yet we have zero presence. **To fix the -14% Unit Sales decline, we must shift spend here.**

The Mechanism of Organic Growth



To achieve 20% Organic Growth, we must fuel the engine with paid impressions.
You cannot cut spend and expect organic search to rise.

Measuring What Matters: From Efficiency to Expansion

Key Performance Indicators (KPIs)	
Day 2 Mentality (Current)	Day 1 Mentality (Proposed)
ROAS (Return on Ad Spend) Focus: Efficiency / Harvesting Shrinking Audience (-14% Units)	New-to-Brand (NTB) Measuring the influx of fresh customers.
	Customer Lifetime Value (CLV) Predicting value over 12 months.
	Detail Page View Rate (DPVR) Ensuring top-of-funnel health.

Commitment: We will ‘Dive Deep’ into weekly reporting on these growth metrics to ensure the \$12.5MM investment drives incremental market share.

The Choice: Manage Decline or Lead the Category

Option A: Status Quo (Flat Budget)

Continued erosion of Unit Sales (-14%)
and Page Views (-17%).

A 'Day 2' stagnation strategy.

Option B: Day 1 Strategy (\$12.5MM)

Activation of **90M+** upper-funnel shoppers.
Restoration of organic search volume.
Securing the **20% growth** goal.

**Recommended:
Bias for Action**

Approve \$2.5MM Increase