

LinkedIn Live

July 16, 11:00 am EDT

The Prime Directive:

Harnessing Product Insights Data into E-Commerce Wins

With the latest insights on:



Animal Welfare



Environmental
Sustainability



Social
Responsibility



Sustainable
Packaging

Meet your speakers

Today's Presenters:



Brian Crosby

Vice President North America
e-Commerce Measurement



Sherry Frey

Vice President
Total Wellness

Three emerging macro trends to watch & how they will impact Prime Day 2024

Amazon is uniquely setup to maximize on these trends in 2024

#1

Consumers will be more **cost-conscious on the basics**, as the impacts from inflation & high interest are starting to hit savings

#2

Consumers are prioritizing **Wellness** and **Sustainability** when making informed product decisions

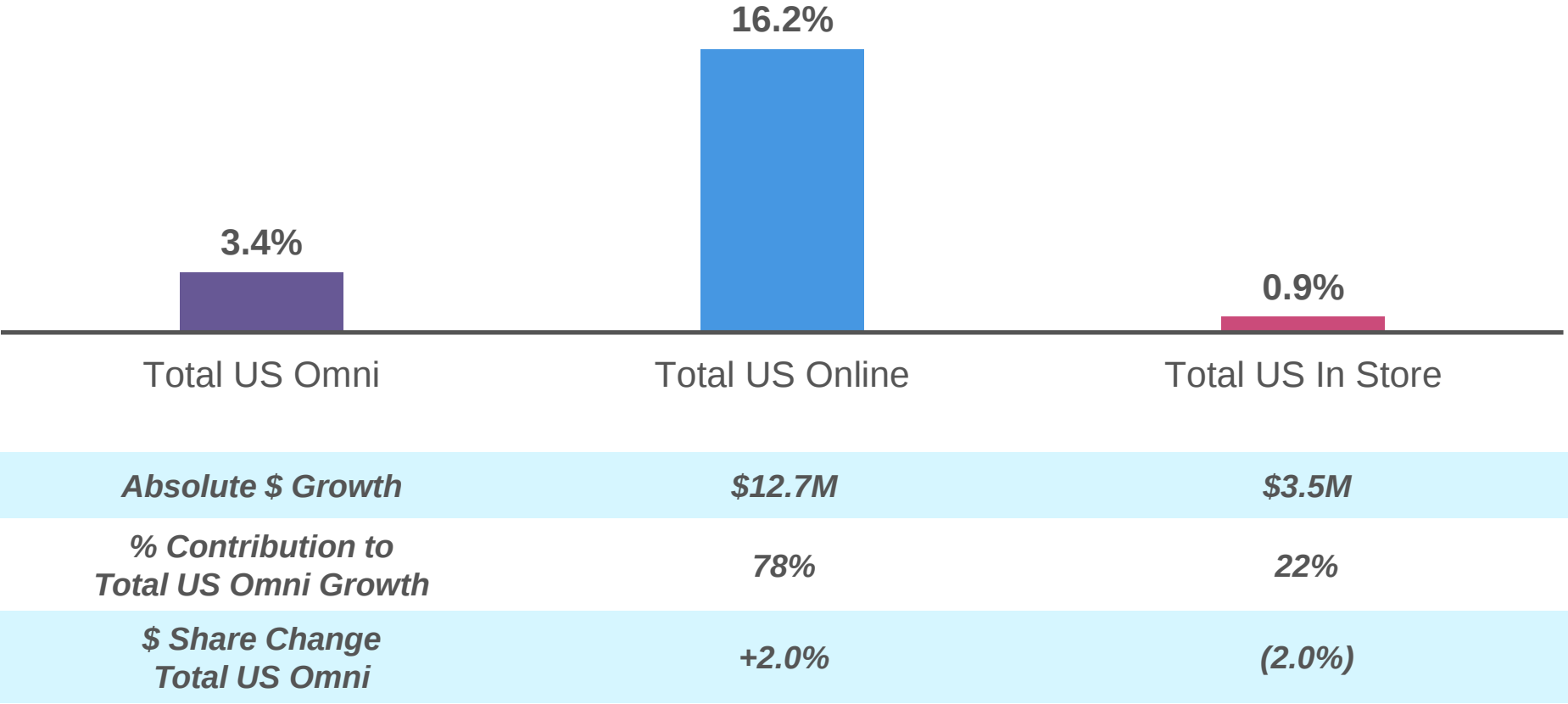
#3

Consumers are seeking more **convenience** when making purchases on routine shopping.

2024 YTD CPG Growth is fueled primarily by Online E-Commerce Sales

Online growth continues to grow in double digits year-over-year, while In Store growth lags behind

Year-to-Date (YTD) Dollar % Change

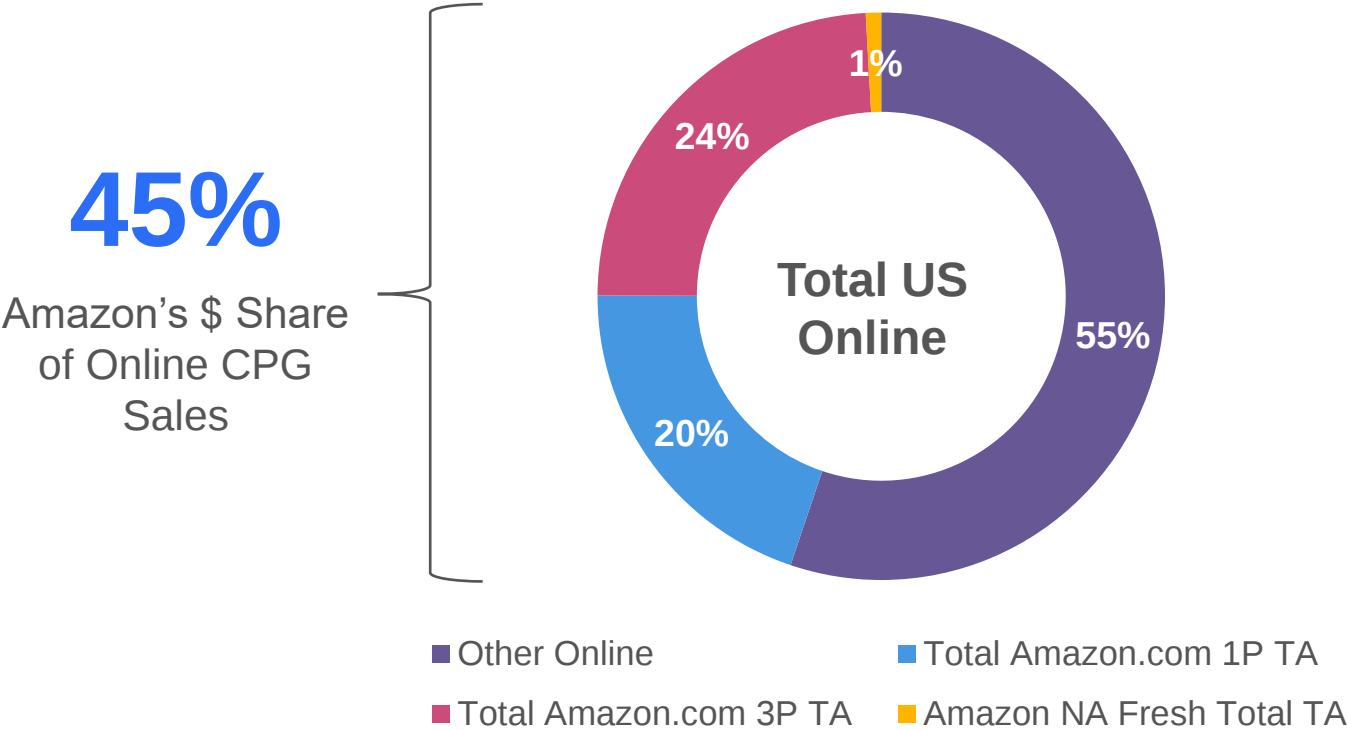


Source: NielsenIQ Omnisaless, Baby, Grocery (Food), Health & Beauty, Household Care, and Pet Care, YTD 21 w/e 05/25/2024

Amazon is single handedly driving most of the Total US Online growth for CPG

The major Online CPG \$ share leader, and the key retailer driving Online growth across CPG

YTD \$ Share of Total US Online



% Contribution to YTD Total US Online Growth

Represented as a % of the \$12.7M Online YTD Growth

Online Retailer	% Cont.
Amazon	63%
Walmart (Online)	
Target (Online)	
Sam's Club (Online)	16%
Costco (Online)	
All Other Online CPG Retailers	21%

Source: NielsenIQ Omnisaes+, Baby, Grocery (Food), Health & Beauty, Household Care, and Pet Care, YTD 21 w/e 05/25/2024

Prime Day Event

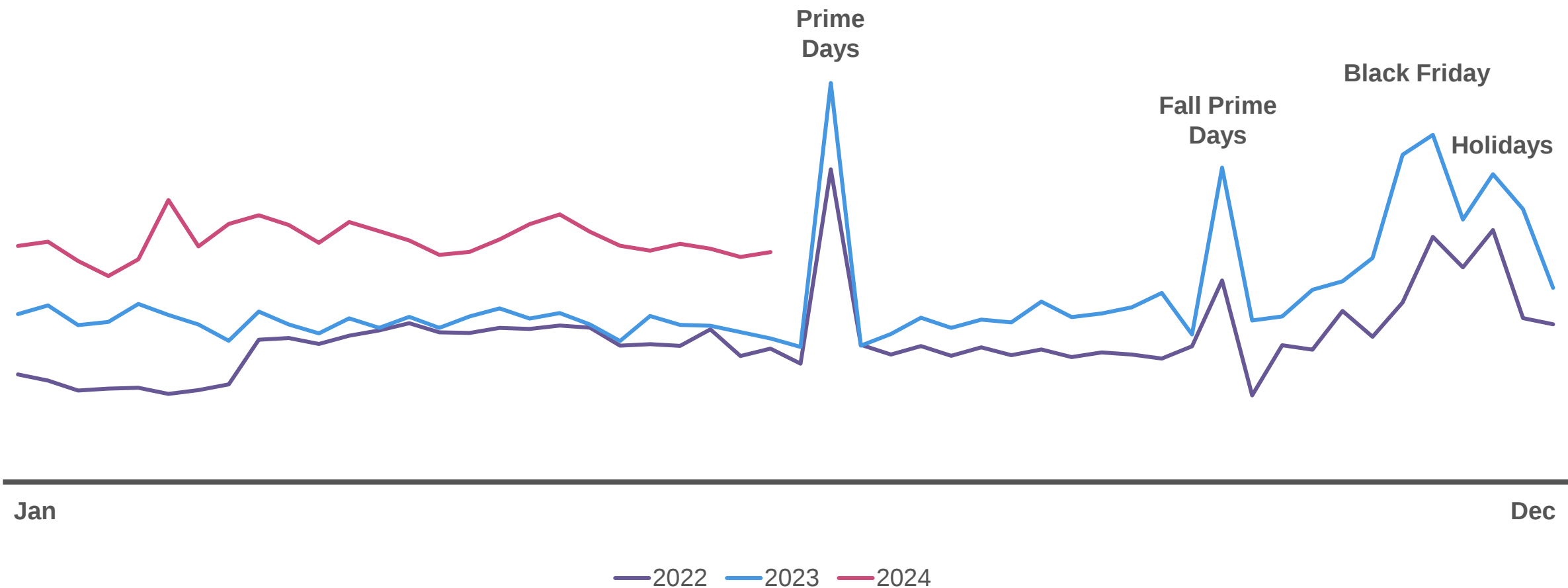
Past Results & NielsenIQ's Prediction for 2024

NielsenIQ



Prime Day 2023 was a growth engine that catapulted sales post event

Total Dollar Volume – Total Amazon 1P & 3P



Source: NielsenIQ Marketplace Sales & Share, Total Amazon.com TA, January 2022 thru 6/29/2024

Amazon 1P

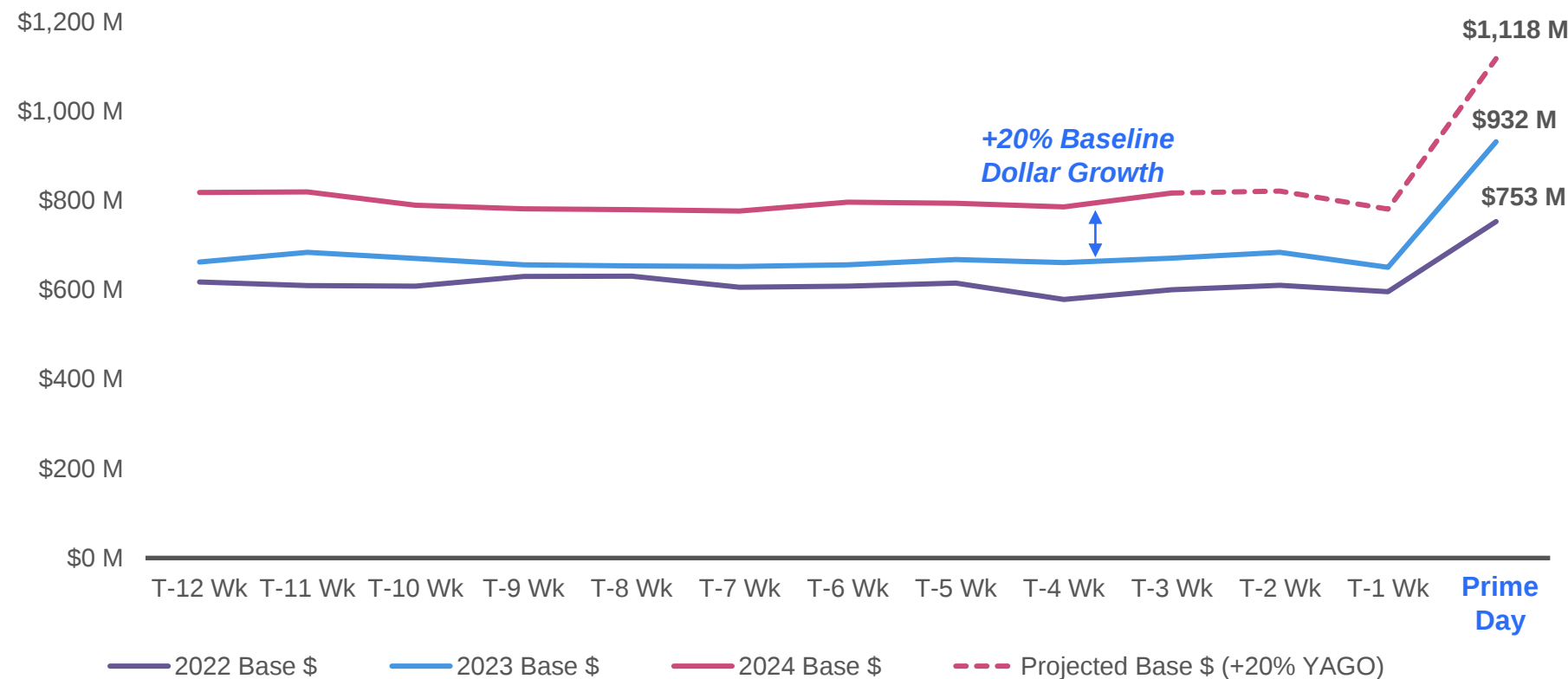
Via NielsenIQ The Full View™

Strong growth trends are baked into the current baseline volume model

In the absence of any promotion, baseline growth trends remain strong and consistent leading into Prime Day 2024

Baseline Dollar Volume - Amazon 1P

Baby, Grocery (Food), Health & Beauty, Household Care, and Pet Care



Baseline

A time-series modeling of normal, non-promoted, expected sales provided on NIQ databases.

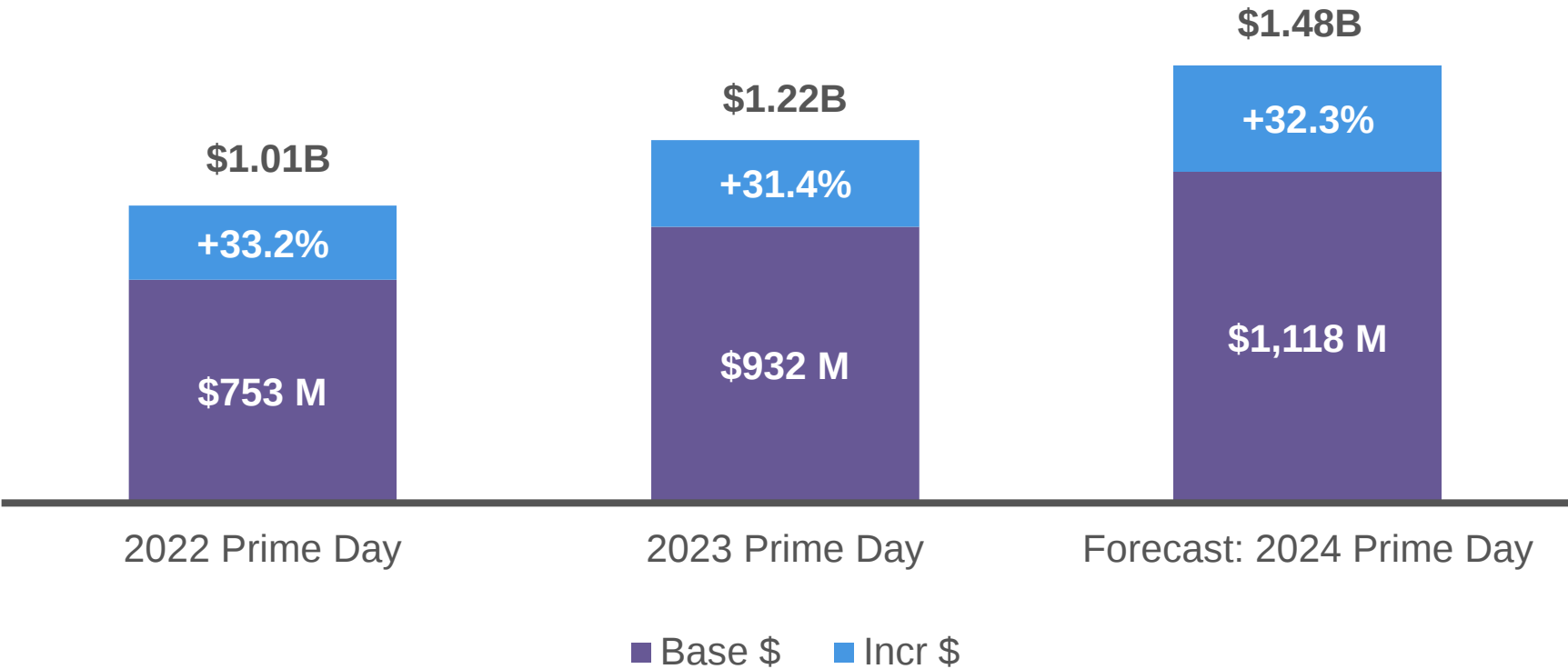
Source: NielsenIQ Full View, Amazon 1P, Baby, Grocery (Food), Health & Beauty, Household Care, and Pet Care, January 2022 thru 6/29/2024

Predicting Prime Day 2024 will achieve \$1.48B in NIQ measured categories

Discover RMS Facts like Baseline & Incremental volume enable better growth trend analyses

Baseline + Incremental Dollar Volume - Amazon 1P

Baby, Grocery (Food), Health & Beauty, Household Care, and Pet Care



Incremental

The difference between total volume and baseline volume; volume above the modeled expected baseline volume. Driven by Media, Marketing, Trends, Incremental Response to TPR or other non-measured attributes.

Source: NielsenIQ Full View, Amazon 1P, Baby, Grocery (Food), Health & Beauty, Household Care, and Pet Care, January 2022 thru 6/29/2024

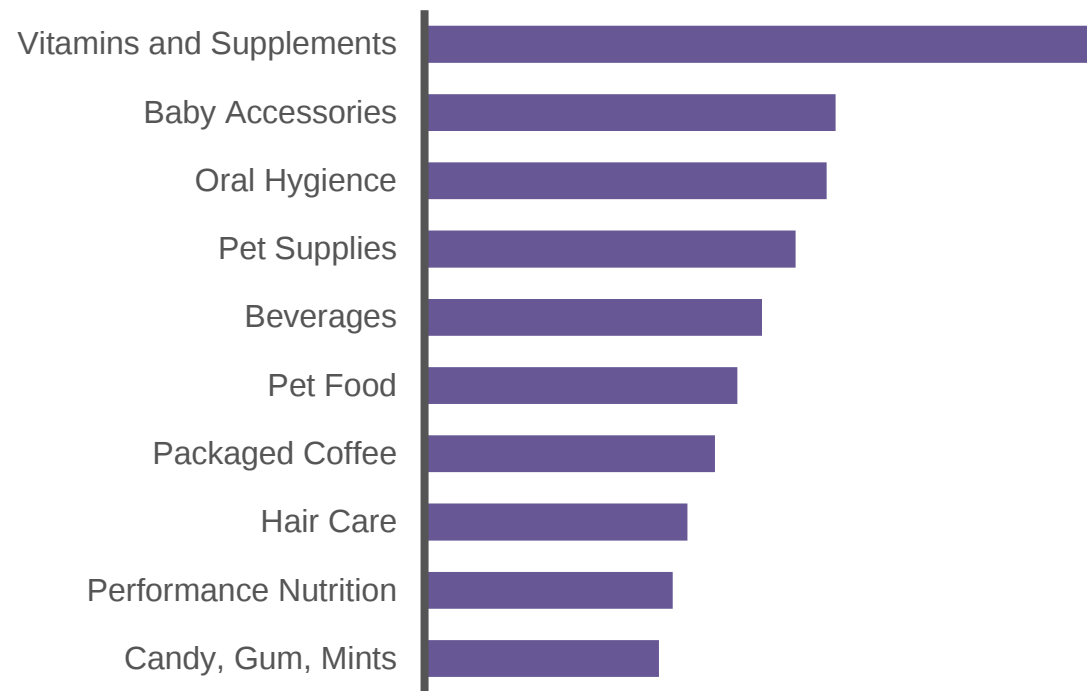
Vitamins & Supplements leading 2024 YTD Incremental \$ Growth

Expect to see more purchases of Vitamins and Supplements on Amazon 1P

Prime Day 2023 – Amazon 1P - Top 10 Incremental \$



YTD 2024 – Amazon 1P - Top 10 Incremental \$



↑
Expect Amazon to promote these categories during Prime Day

Source: NielsenIQ Full View Measurement, Amazon 1P, Baby, Grocery (Food), Health & Beauty, Household Care, and Pet Care, January 2022 thru 6/29/2024 + 1 w/e 07/15/2023

Amazon 3P

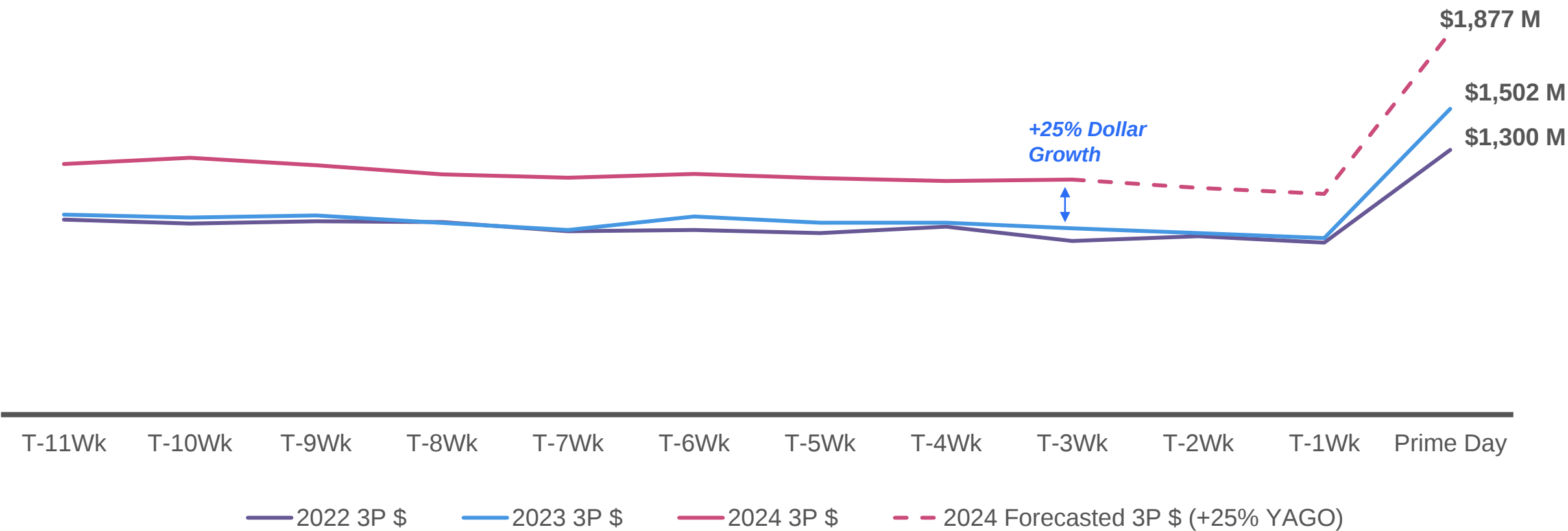
NielsenIQ Marketplace Sales & Share

Amazon 3P exceeding Amazon 1P in Absolute Dollars and % Chg Growth

Significant Amazon.com volume is sourcing from Amazon 3P sellers

Total Dollar Volume - Amazon 3P

Baby, Grocery (Food), Health & Beauty, Household Care, and Pet Care

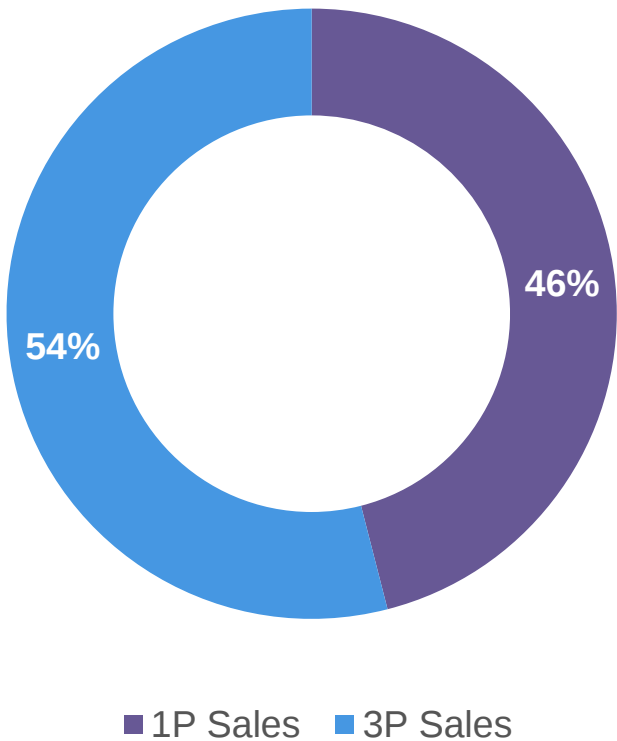


Source: NielsenIQ Marketplace Sales & Share, January 2022 thru 6/29/2024

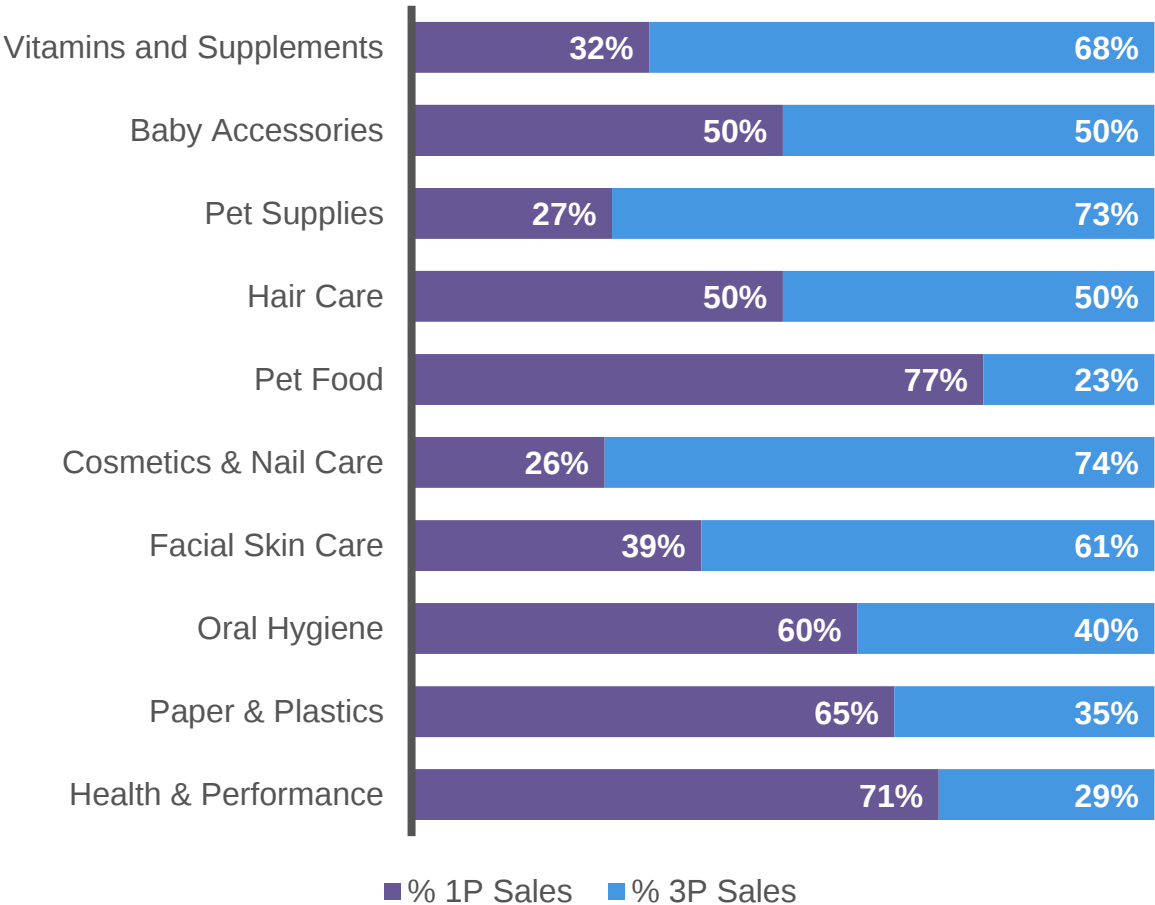
Last years' Prime Days were heavily composed of 3P sales

57% of October event sales compared with 53% for July 2023 Prime Day

July 2023 Amazon Prime Days Dollar Sales: 1P v 3P



1P v 3P % of Sales: Amazon Prime Days 2023



Source: NielsenIQ Marketplace Sales & Share, January 2022 thru 6/29/2024

Winning on Pricing & Promotion

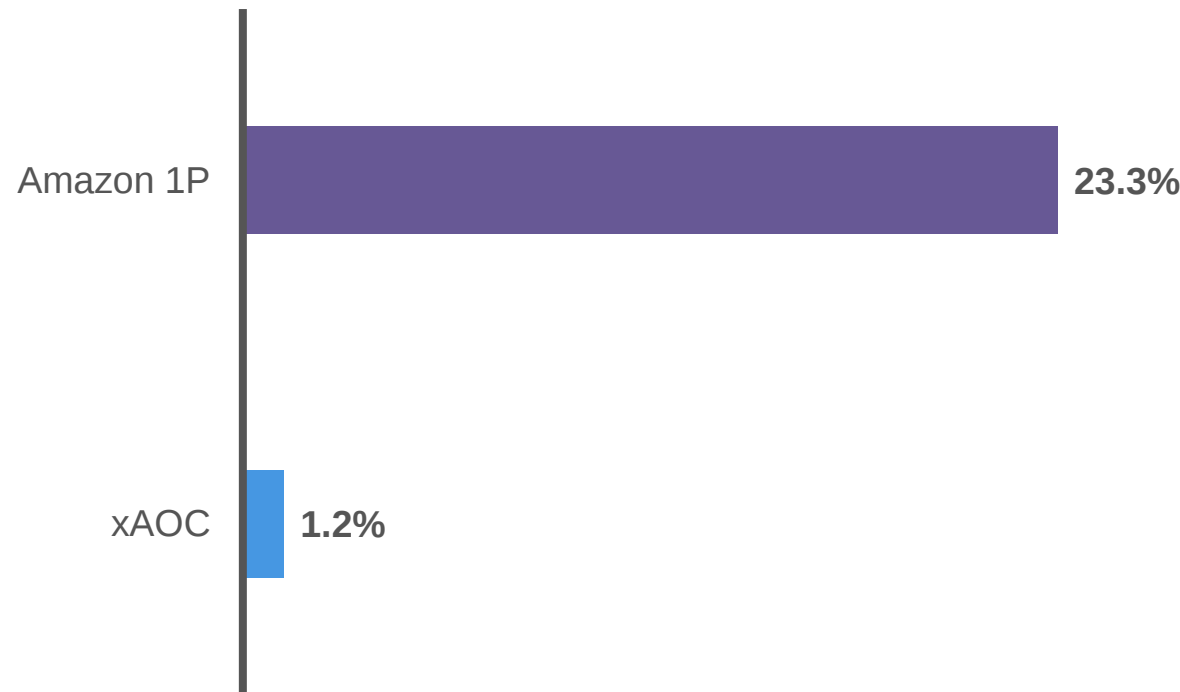
Identify how to drive incremental category sales without subsidizing revenue opportunities through Amazon

Expect Amazon Basics to be pushed heavily on Prime Day 2024

Increase focus on the price gaps you are maintaining to Branded and Private Label competitors

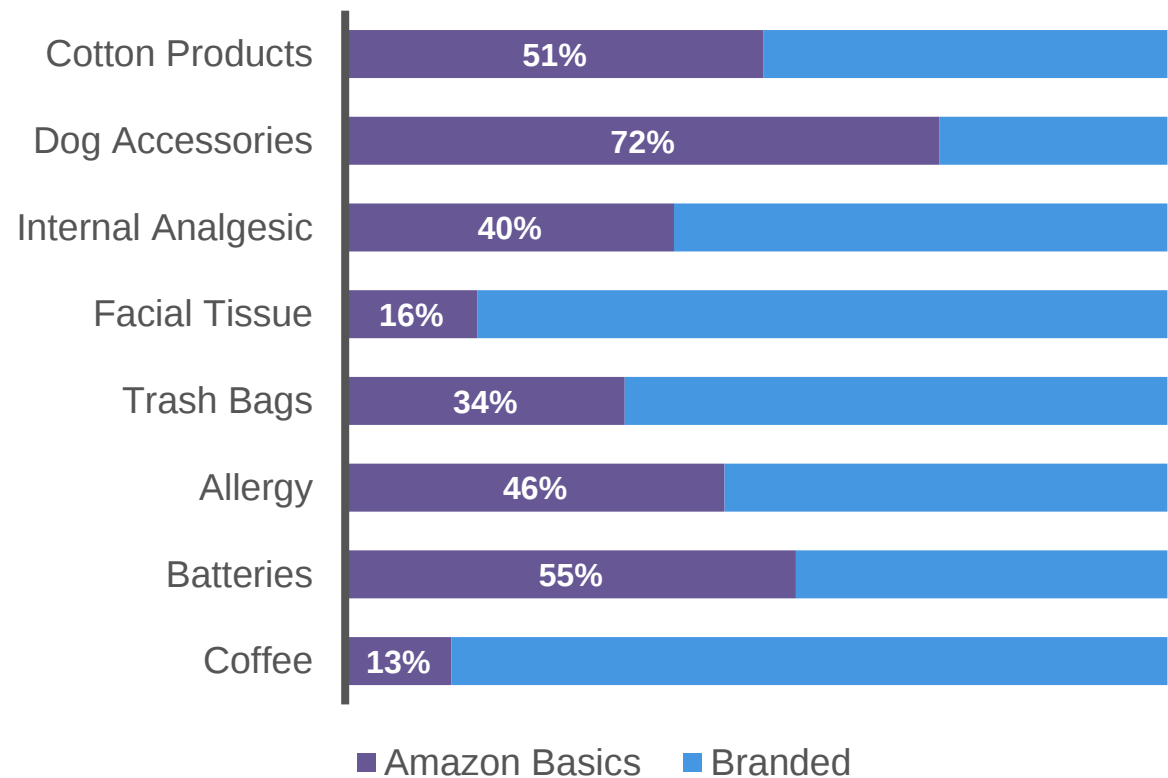
Total Private Label

EQ % Chg YAGO
L52 Weeks vs YAGO



Categories Most Important to Amazon Basics

EQ Share vs Branded per Category



Source: NielsenIQ Full View Measurement, L52 Wks ending 06/29/2024 + YTD ending 06/29/2024

With more information available to consumers at time of purchase, price gap thresholds are likely significantly higher Online vs. In Store

Amazon Best Sellers

Our most popular products based on sales. Updated frequently.

Best Sellers in Cotton Swabs

#1



Amazon Basics Cotton Swabs, 500 Count
★★★★★ 49,201
11 offers from \$2.96

#2



Q-tips Cotton Swabs For Hygiene and Beauty Care Original Cotton Swab Made With 100% Cotton 625 Count
★★★★★ 8,804
\$4.47

#3



Q-tips Swabs Travel Pack, 30 Count, Pack of 1 blue
★★★★★ 2,935
\$1.47

#4



Q-tips Cotton Swabs For Hygiene and Beauty Care Original Cotton Swab Made With 100% Cotton 750 Count
★★★★★ 8,485
\$5.37

#5



623181 Q-Tips Cotton Swab, Standard, White, 500 Count (Pack of 1)
★★★★★ 45,446
\$6.95

#6



Q-tips Cotton Swabs For Hygiene and Beauty Care Original Cotton Swab Made With 100% Cotton 750 Count
★★★★★ 11,954
\$5.37

#7



Clean Skin Club Clean Swabs | 500CT | One Pointed Tip | Biodegradable + Organic Cotton & Bamboo | Makeup & Nail Polish Touch-ups ...
★★★★★ 1,987
\$7.95

#8



Q-tips Cotton Swabs, 500 Count (Pack of 2)
★★★★★ 11,271
\$7.74

Item	Unit Price	Price Gap
Amazon Basics Cotton 500 CT	\$2.96	(\$1.51)
Q-tips Cotton 500 CT	\$4.47	+\$1.51



Roll over image to zoom in

Amazon Basics Cotton Swabs, 500 Count

Visit the Amazon Basics Store

4.7 ★★★★★ 49,201 ratings | Search this page

Amazon's Choice in Cotton Swabs by Amazon Basics

100K+ bought in past month

\$2.96 (\$0.01 / Count)

FREE Returns

Get \$60 off instantly: Pay \$0.00 ~~\$2.96~~ upon approval for the Amazon Store Card. No an

Size: 500 Count (Pack of 1)

500 Count (Pack of 1)
\$2.96 (\$0.01 / Count)

500 Count (Pack of 4)
\$12.91 (\$0.01 / Count)

Size 500 Count (Pack of 1)

Brand Amazon Basics

Material Cotton

Shape Rectangular

Unit Count 500 Count

Customer Ratings 4.7 ★★★★★ 49,201

Absorbency	4.3 ★★★★★
Value For Money	4.3 ★★★★★
Durability	5.0 ★★★★★
Sturdiness	4.2 ★★★★★



1:51

Amazon Bascis Cotton Swabs vs Qtips

Mack Robertson

Source: NielsenIQ Full View, Cotton Swabs, January 2022 thru 6/29/2024
Source: Amazon Best Sellers Ranking, Cotton Swabs

Depth of discount on Prime Day drives Incremental sales & Trade Efficiency

Each product will have a different responsiveness to depth of discount while consumers look at price gaps

Top 5 Vitamins SKUs from Prime Day 2023

Top 5 2023 Prime Day Vitamins ASINs	Any Promo \$ Efficiency	Avg Unit Price	TPR	Avg Unit Price Disc	% Discounted
One a day 200 count	63%	\$12.67	\$9.70	(\$2.98)	(23%)
Vita fusion gummie 150 count	52%	\$8.61	\$5.94	(\$2.67)	(31%)
Garden of life kind organics 60 count	48%	\$33.31	\$29.57	(\$3.75)	(11%)
Smarty pants 120 count	27%	\$16.62	\$15.52	(\$1.10)	(7%)
Vita fusion 150 count	57%	\$10.66	\$9.93	(\$0.73)	(7%)



Trade Efficiency

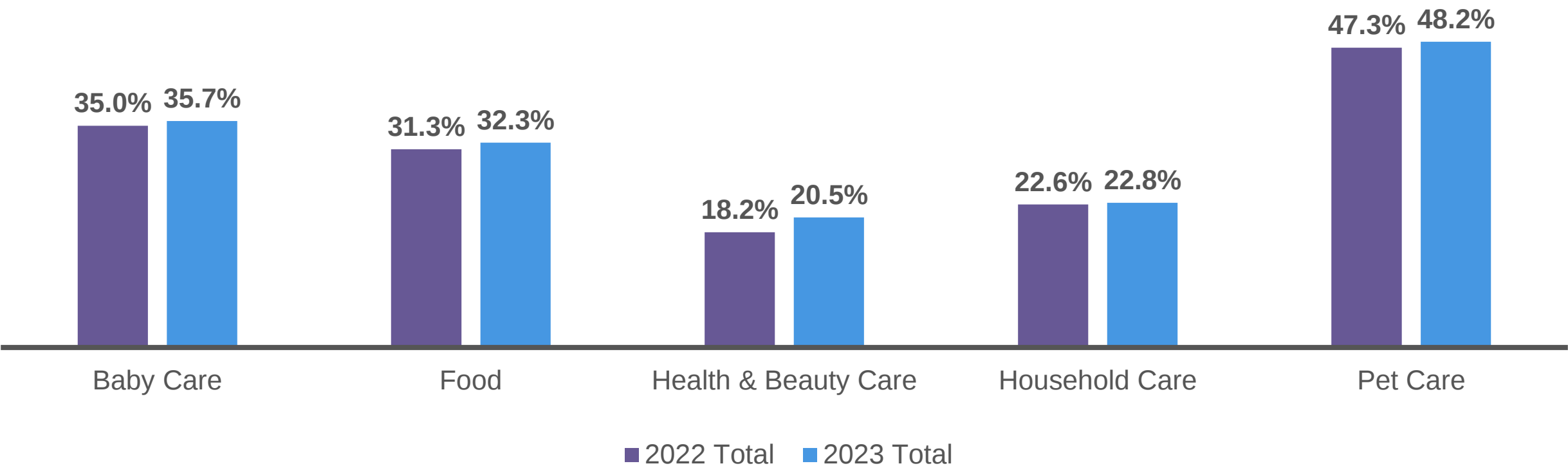
The % of Trade Promoted Volume that was Incremental to the product and did not subsidize expected baseline sales that would have occurred regardless of a Trade Promotion.

Source: NielsenIQ Full View Measurement; Prime Days 2023

Expect to see Prime Days pushing subscriptions for incremental deal

Subscriptions will enable recurring, planned, revenue for Amazon and less shopping decisions for consumers

% Sold on Subscription - Amazon

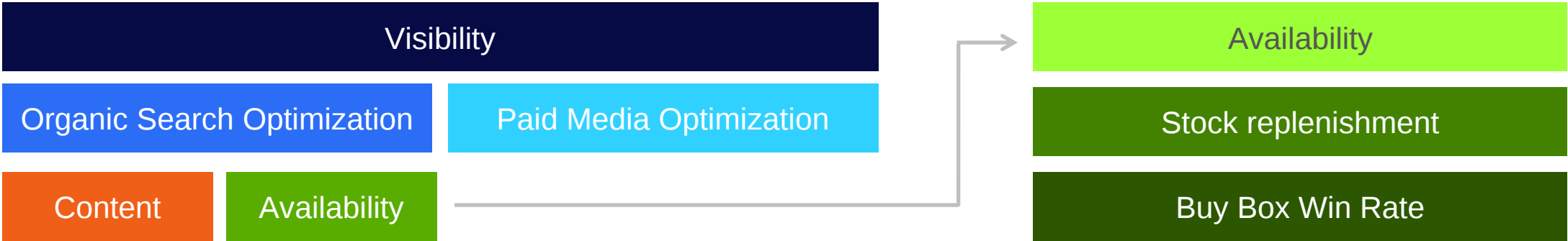


Source: NielsenIQ Acumen E-Commerce Slice Intelligence, 2022 & 2023

Winning on SEO & Consumer Trends

Consumers online shopping behaviors

Winning on Amazon goes beyond price, but also how *visible* & *available* are brands' products



Key to organic search success is building the *ideal content* for your products that optimizes Amazon's search algorithm

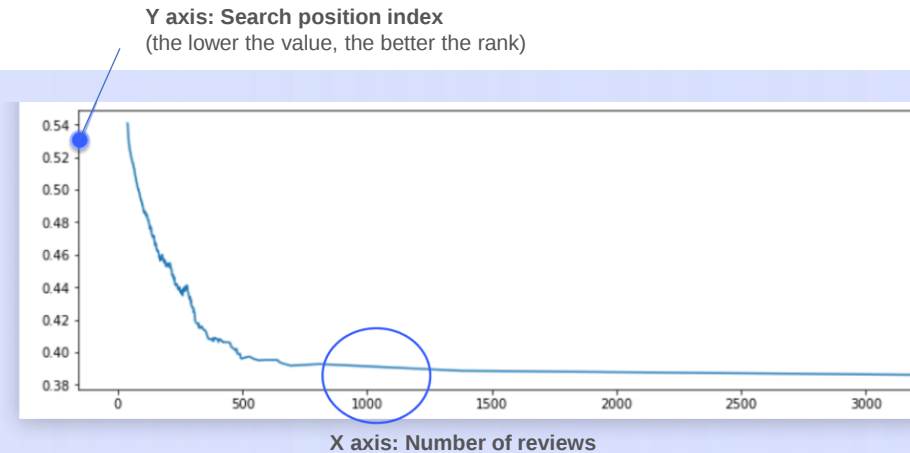
CONTENT EXAMPLE

Correlation of the search position vs number of reviews

- The ideal value of number of reviews is between **300** and **500 reviews**
- Beyond 500 reviews, there is no major impact on the search rank

Correlation of the search position vs ratings

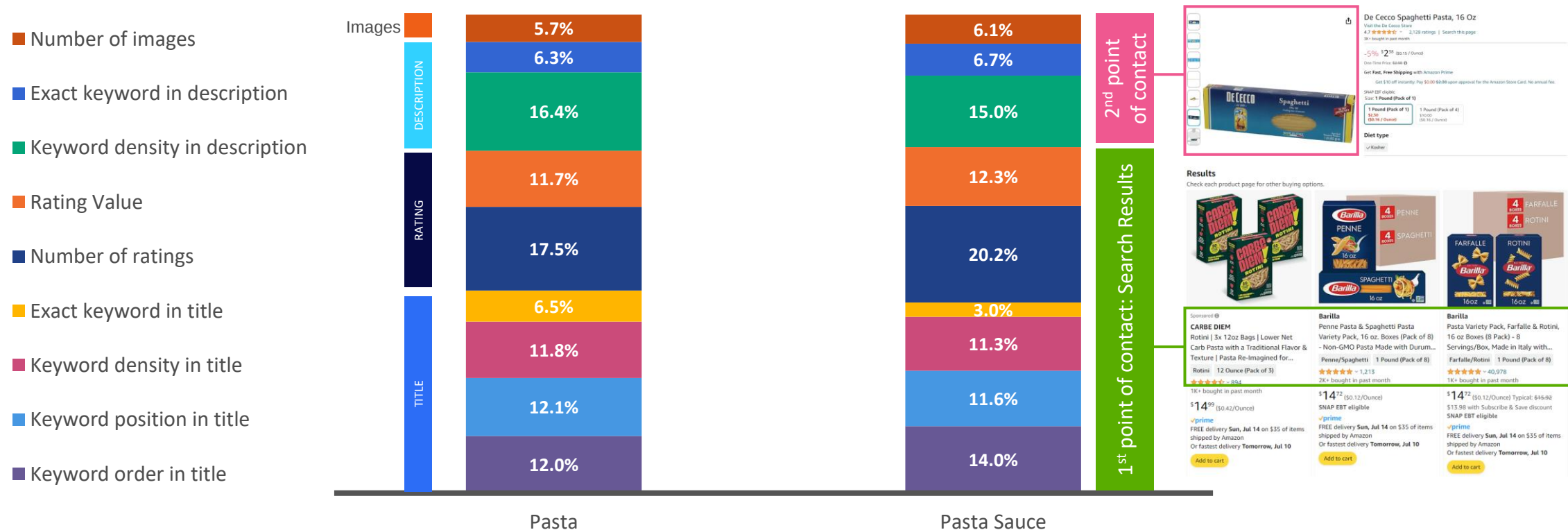
- The ideal value for ratings is around **4.6**
- Beyond 4.8, there is a **negative impact** on the search as it could be considered as **fake ratings**



Step 1: Focus on the content levers that matter

Amazon’s search algorithm varies between categories – important to create a category specific strategy

Content Levers Importance for Search Ranking Order in the Pasta & Pasta Sauce Category in USA



Step 2: Adjust content to ideal values of each content lever

Amazon’s content lever targets adjusted to each category

Pasta: Ideal values for each content lever

Feature	Importance	Ideal values
Number of ratings	17.5%	Above 15 ratings
Keyword density in description	16.4%	Between 8% and 15%
Keyword position in title	12.1%	In the beginning
Keyword in order in title	12.0%	Yes
Keyword density in title	11.8%	Between 6% and 21%
Average rating	11.7%	Between 4.5 and 4.8
Exact keyword in title	6.5%	1 time
Exact keyword in description	6.3%	Between 3 and 4 times
Number of images	5.7%	Between 5 and 6 images

Pasta Sauce: Ideal values for each content lever

Feature	Importance	Ideal values
Number of ratings	20.2%	Above 50 ratings
Keyword density in description	15.0%	Between 4% and 12%
Keyword in order in title	14.0%	Yes
Average rating	12.3%	Between 4.3 and 4.7
Keyword position in title	11.6%	In the beginning
Keyword density in title	11.3%	Between 8% and 15%
Exact keyword in description	6.7%	Between 3 and 4 times
Number of images	6.1%	Between 5 and 6 images
Exact keyword in title	3.0%	1 time

Source: Data Impact by NIQ, July 2024

Step 3: Optimize organic search for the most important keywords in your category

Identify important and long tail keywords that are being most searched in your category



Shaving



1	Razors	
2	Shaving	
3	Razor	
4	Shave	
5	Shaves	
6	Shavings	
7	Gillette	
8	Shaved	

- Defined list of keywords I need to optimize – do I rank high organically for these keywords?
- Adjusting product title & description to boost search performance
- Invest in paid search for miss-spelled /long-tailed /branded/ cross-category keywords

Source: Data Impact by NIQ, July 2024

Winning on Wellness & Sustainability

Is Prime Day Environmentally Sustainable?

"We find that many customers are looking for these kinds of products, and we are taking actions to help customers more conveniently discover and shop for Climate Pledge Friendly products. Qualifying products are badged within shopping results and product pages, and are featured in a dedicated section of our store."



Pros

Commitment to be net-zero carbon across their business by **2040**

Climate Pledge Friendly makes it **easy** to shop for sustainable brands

in North America, they have shifted **95%** of their plastic air pillows to recycled paper



Brand Takeaways

Climate Pledge Friendly is an opportunity for brands to appeal to the sustainable shopper and **differentiate from their competitors**

The average lift after qualifying for the Climate Pledge Friendly program is **10% increase in product page views**

According to Amazon Ads, 62% of consumers are actively seeking out **more sustainable brands**

[https://ftp.climatepartner.com/download/CP-certified_Amazon_Climate-Pledge-Friendly_Benefits_en.pdf?_gl=1*173p3ca*_up*MQ..&gclid=CjwKCAjwnK60BhA9EiwAmpHZw3lcyJ3CjZIGw7eYI_hCG7sErUO2tYDwJJqIghOpiKU-bnxAtW8oCxoCJR8QAvD_BwEhttps://sustainability-news.net/net-zero/carbon-accounting-firm-shares-impact-of-amazon-prime-day/#:~:text=According%20to%20the%20study%2C%20the,equivalent%20\(tCO2e\)%20in%20emissions.](https://ftp.climatepartner.com/download/CP-certified_Amazon_Climate-Pledge-Friendly_Benefits_en.pdf?_gl=1*173p3ca*_up*MQ..&gclid=CjwKCAjwnK60BhA9EiwAmpHZw3lcyJ3CjZIGw7eYI_hCG7sErUO2tYDwJJqIghOpiKU-bnxAtW8oCxoCJR8QAvD_BwEhttps://sustainability-news.net/net-zero/carbon-accounting-firm-shares-impact-of-amazon-prime-day/#:~:text=According%20to%20the%20study%2C%20the,equivalent%20(tCO2e)%20in%20emissions.)



Cons

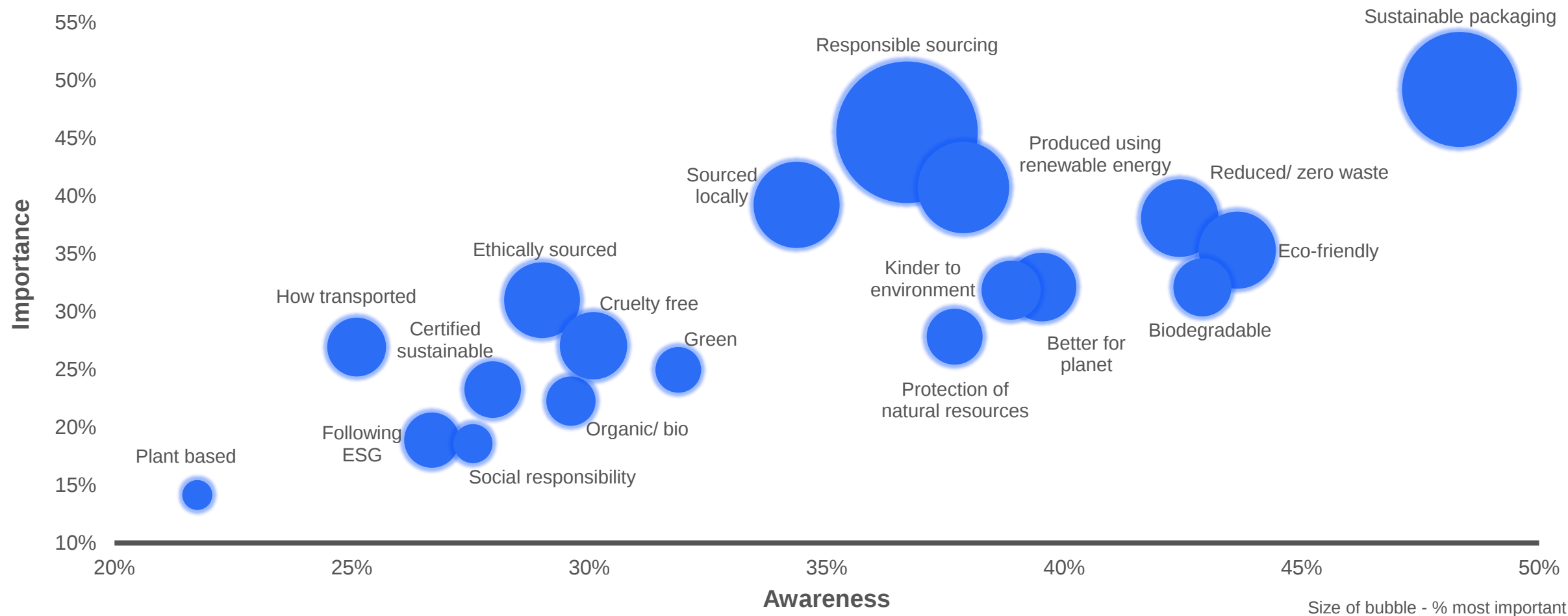


1.2MM tons of carbon dioxide emissions or **~691K** round trip flights from Paris to NY

According to a study done by Greenly

What makes a brand sustainable?

Claims that make a brand sustainable



Source: NielsenIQ 2023 Sustainability Report - Q: Coming back to grocery brands, which of these claims do you believe make a brand "sustainable"?

Retailers play a key role as the “face of brands” to consumers

Raising visibility and making sustainability more accessible can motivate change

1. 

Make sustainability stand out

2. 

Invest in sustainable private label

3. 

Waste not want not

4. 

Creative innovative incentives to reward

5. 

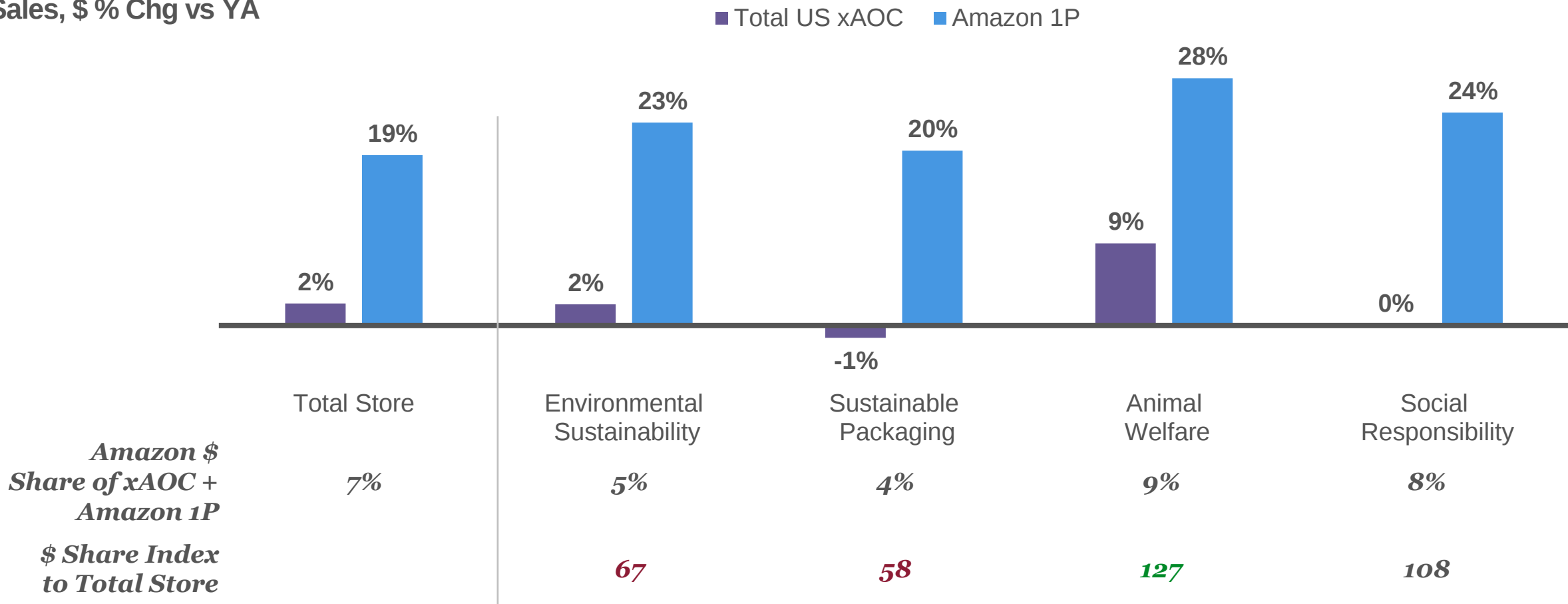
Incentivize to switch



Sustainability also continues to drive differential growth on Amazon

Qualified products promoting benefits ranging from Environmental Sustainability to Social Responsibility are all outpacing the total category growth on Amazon and are well ahead of xAOC at large

\$ Sales, \$ % Chg vs YA



Source: NielsenIQ Product Insight, Full View-Measurement, Latest 52 Weeks 06/29/2024, Syndicated Hierarchy, Total Store=Baby Care, HBS, Grocery, Pet Care, Household Care, "All" PI Characteristics used

What categories are important for *sustainability* at Amazon?

Sustainability* Super Categories in Amazon 1P

Top Selling



Top Growing
(\$xMM+)



Source: NielsenIQ Product Insight, Amazon 1p, Latest 52 Weeks 06/29/2024, Syndicated Hierarchy, Total Store=Baby Care, HBS, Grocery, Pet Care, Household Care, SUM OR of "All" PI Characteristics from previous slide aggregated together

VMS a top Amazon category, especially on Prime Day

Consumers are seeking out specific health conditions on Amazon Prime Day

Hydration Supplements indexed 422% on Amazon Prime Day 2023

Products	Prime Day Index	Cost Savings on Prime Day 2023?
Hydration Supplement	↑↑↑	☹️
Diabetic Supplement	↑↑	😊
Prenatal Supplement	↑↑	☹️
Bone And Joint Supplement	↑↑	😊
Zinc	↑↑	☹️
Electrolyte Supplement	↑	☹️
Menopause Supplement	↑	😊
Mood Supplement	↑	😊
Weight Management Supplement	↑	😊
Heart Health Supplement	↑	😊

Symbol	Index
↑↑↑	>250%
↑↑	>150%-250%
↑	>100%-150%

Amazon Searches 2024	
>300k	searches for " Electrolytes ," -11% from last year
>170k	searches for " Weight Loss " -22% from last year
>95k	searches for " Diabetic Support ," -23% from last year
>275k	searches for " High Protein ," +22% from last year
>5k	Searches for " Adaptogenic ," +53% from last year

Source 1: NielsenIQ Product Insight, Latest 52 Weeks 06/29/2024 vs. Week of 7/15/2023, Syndicated Hierarchy, Vitamins, Minerals, and Supplements
Source 2: NIQ eCommerce Search Insights, Latest year ending June 2024, Total Food & Bev

What do consumers care about in hair care?

Hair care jumped to #3 position during 2023 Amazon Prime Day

Top Amazon Searches²

>500k	searches for " hair growth ," +37% from last year
>750k	searches for " scalp health ," +15% from last year
>150k	searches for " rosemary oil ," +14% from last year

Emerging Claims

Low Share of *Hair Care*, Very High Growth

	xAOC	Amazon 1P
Niacinamide	0.2 share +41.6%	0.1 share +75%
Prebiotics	0.0 share +196%	0.1 share +91%
Microbiome	0.1 share +655%	0.01 share +179%

Top Selling Prebiotic Hair Care Brands

xAOC

ZOTOS
PROFESSIONAL®

+393%
\$ Growth YA



hair proud

+347%
\$ Growth YA



Amazon 1P

ZOTOS
PROFESSIONAL®

+244%
\$ Growth YA



IGK

+22%
\$ Growth YA



Source: 1. NielsenIQ Product Insights ; Total xAOC; Total US latest 52 weeks ending 3/23/2024
Source 2: NIQ eCommerce Search Insights, Latest year ending April 2024, Hair Care

Facial Skin Care saw 137% jump during Amazon Prime Day 2023

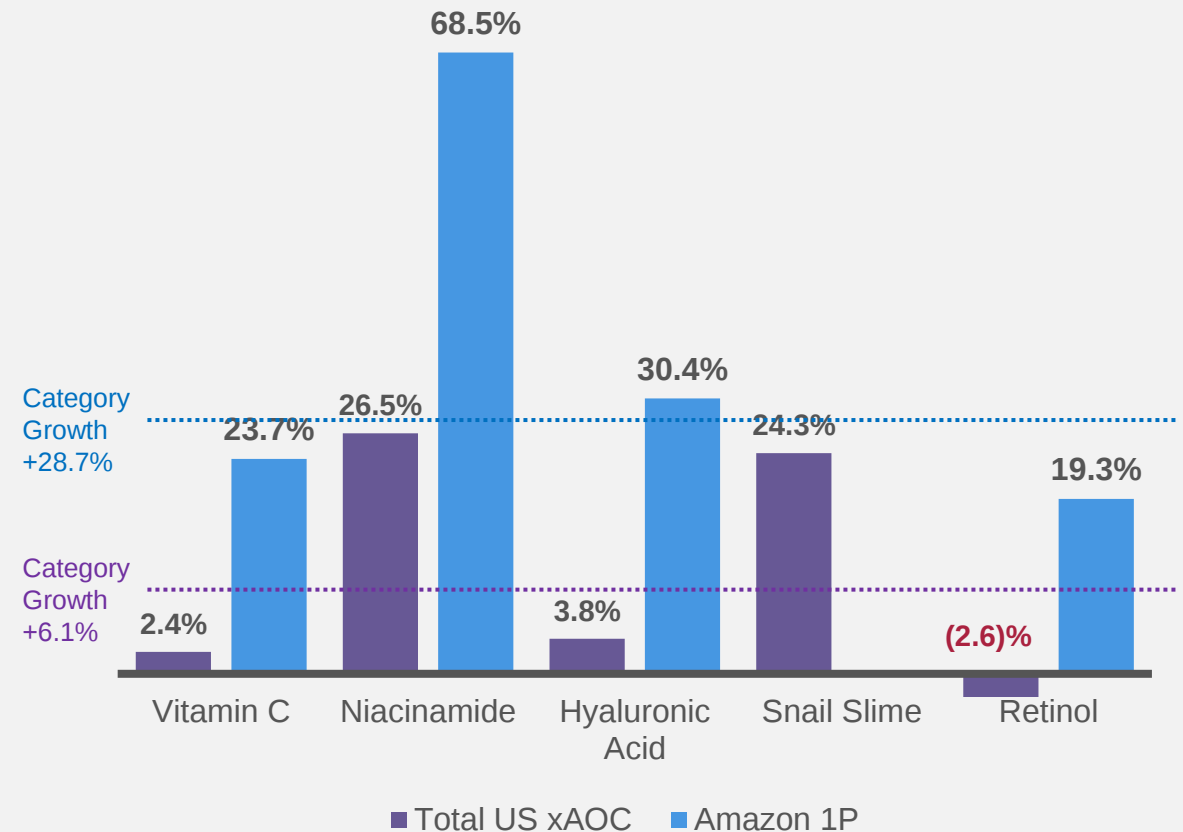
Consumers are searching for specific ingredients and preferences

Search Volume *within Facial Skin Care*



And these ingredients and benefits are seeing sales growth on Amazon

% \$ Change vs Year Ago *within Facial Skin Care*



Source: NIQ eCommerce Search Insights, Latest year ending April 2024, Facial Skin Care
NIQ Product Insight, Total US Full View - Measurement, Latest 52 Weeks 06/29/2024, Syndicated Hierarchy, Facial Skin Care

Measure Sustainability on Amazon through NIQ Product Insights

Interested in understanding your Sustainability index across markets?

Measure sustainability claims across your categories

\$ % Chg. vs YA – Total Store

Department	Overall \$ Growth			Animal Welfare			Environmental Sustainability			Sustainable Packaging			Social Responsibility		
	xAOC	xAOC + 1P	1P	xAOC	xAOC + 1P	1P	xAOC	xAOC + 1P	1P	xAOC	xAOC + 1P	1P	xAOC	xAOC + 1P	1P
Total Store	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%
Total Food & Beverage	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%
Total Non-Food	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%
BevAl	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%
Baby Care	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%
Beauty	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%
Health	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%
Household Care	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%
Pet Care	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%	x.x%

Understand how you rank against your key competitors

\$ Share Index to Total Beauty

	Total Sustainability			Animal Welfare			Environmental Sustainability			Sustainable Packaging			Social Responsibility		
	xAOC	xAOC + 1P	1P	xAOC	xAOC + 1P	1P	xAOC	xAOC + 1P	1P	xAOC	xAOC + 1P	1P	xAOC	xAOC + 1P	1P
Competitor A	73	75	35	86	88	40	14	15	25	7	7	2	12	11	6
Competitor B	51	53	75	25	26	32	103	104	113	94	97	132	46	56	107
Competitor C	181	187	187	214	222	233	181	189	261	279	297	463	219	230	378
Client	113	117	157	46	48	59	200	209	295	87	90	117	62	69	120
Competitor D	83	81	58	95	94	66	26	25	22	1	3	20	19	18	2
Competitor E	71	76	123	70	76	144	32	32	27	8	8	12	57	56	48
Competitor F	17	17	23	17	17	20	31	32	38	29	32	66	0	0	0
Competitor G	7	8	10	0	0	0	18	19	23	10	11	27	0	0	2
Competitor H	251	265	398	310	329	521	138	143	178	0	0	0	121	116	54

Thank you!

Learn more by contacting:
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NielsenIQ