SUCCEEDING IN THE NEW AMAZON ECONOMY

Presented by
Mark Power, Founder and CEO @ Podean

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PODEAN
Marketplace Marketing

Building Brands. Standing Out. Selling Product.

Amazon Is Now A Strategic Imperative

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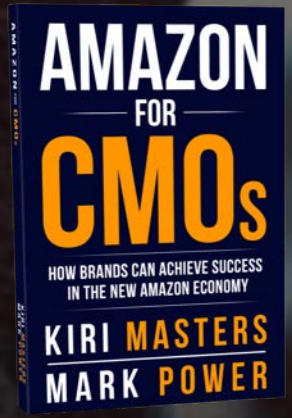
About Me



Founder and CEO @ Podean - Amazon & Marketplace Marketing Agency & Consultancy

20+ years digital media and marketing tech leader & entrepreneur

Built and launched IPG's Amazon Center Of Excellence

Led IPG's award-winning mobile and innovation agency Ansible

Managing Director @ Reprise – IPG's global digital media network

Author of new book Amazon For CMOs

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Platform

Market

Marketplace

Target

Ecosystem

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Let’s Take A Closer Look At Amazon

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A Juggernaut

Amazon dominates. But that means fierce competition and complexity.

51%
Of US eCommerce (8x size of 2nd largest – eBay)

75%
of smart speaker category. Google 24%

$10.1bn
Advertising revenue, growing at +60% YOY Est $16bn 2019

500m+
products

3m merchants

31%
Of respondents to a Digiday survey cited Amazon as the hardest platform to work with

AWS
Has greater market share than Microsoft, Google and IBM combined

2x
US shoppers are twice as likely to begin a consumer product search on Amazon than any other search engine

Only **15%** of sellers advertise

Less than **10%** do more than product listing ads/search

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There is much more than Amazon.com

Thinking beyond an online store

Across devices | Video | Reviews | Audio Streaming | Voice | Social Sharing | Ecommerce | Video Streaming

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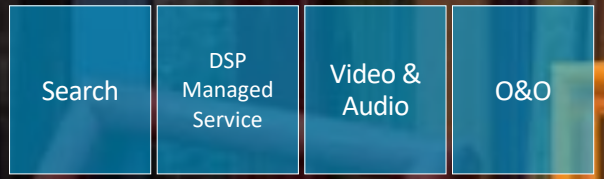
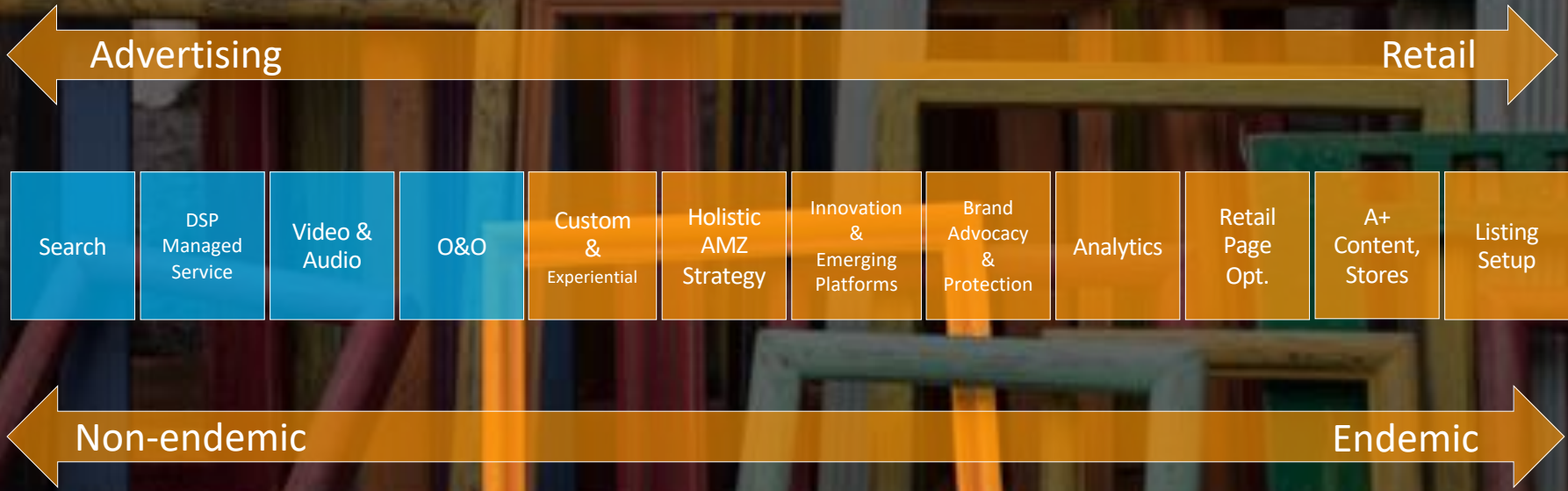
Media is only one-quarter of what's required to succeed



Brands require expertise across every aspect of retail and advertising



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*“It’s been such a **difficult platform** for many organizations to wrap their arms around because it spans operations, sales, marketing; it’s a **microcosm** of everything that goes on in a business. So to hand it off to someone, like an e-commerce director, just doesn’t work — it’s not just one person’s job. It truly is holistic account management at every level. It’s about taking a **360-degree view** of your whole business, through the lens of Amazon.”*

Michael Parness
Chief Marketing Officer - Outward Hound

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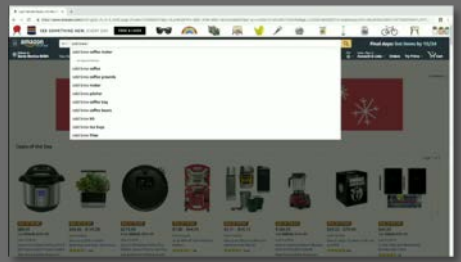
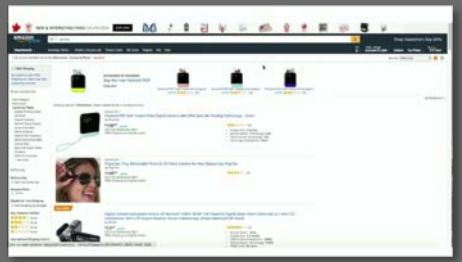
and baked some "chips" and it turned out well also. I have not tried the whisk yet.
8 people found this helpful
Helpful
Comment
Report abuse
Abigail Wolfson
Healthy Food made Easy-er!
December 23, 2017
Size: 6-IN-1
Verified Purchase
Have you ever tried spiralizing veggies by hand? I can tell you, it's awful. This has made my life so much better. Being healthy, making veggie spaghetti & fun veggie quiches has become easy to do! It's a dream come true. Easy to use. Easy to clean. And all the functions work great. The only thing I still need to buy is a hand-mixer, as the whisk is just a whisk (not ideal for thicker batter). Even replaced my cuisinart! No complaints!
10 people found this helpful
Helpful
Comment
Report abuse
NONOBADKITTY!





6 Tray Food Dehydrator
$99.99 prime
9 Tray Food Dehydrator
$129.99 prime
$335.16

minions
BOB

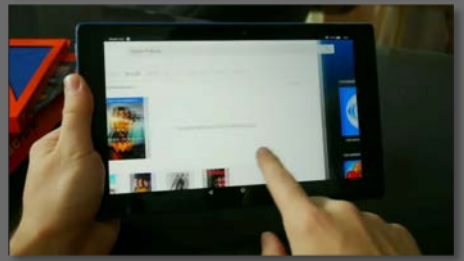
THE MAN IN THE HIGH CASTLE
Home
Your Videos
Movies
TV Shows
Apps
Settings
AMAZON ORIGINAL
Mozart in the Jungle
CREED
vevo
NETFLIX
Spotify
YOUR APPS & GAMES
NETFLIX
music
Primephotos
hulu
sling

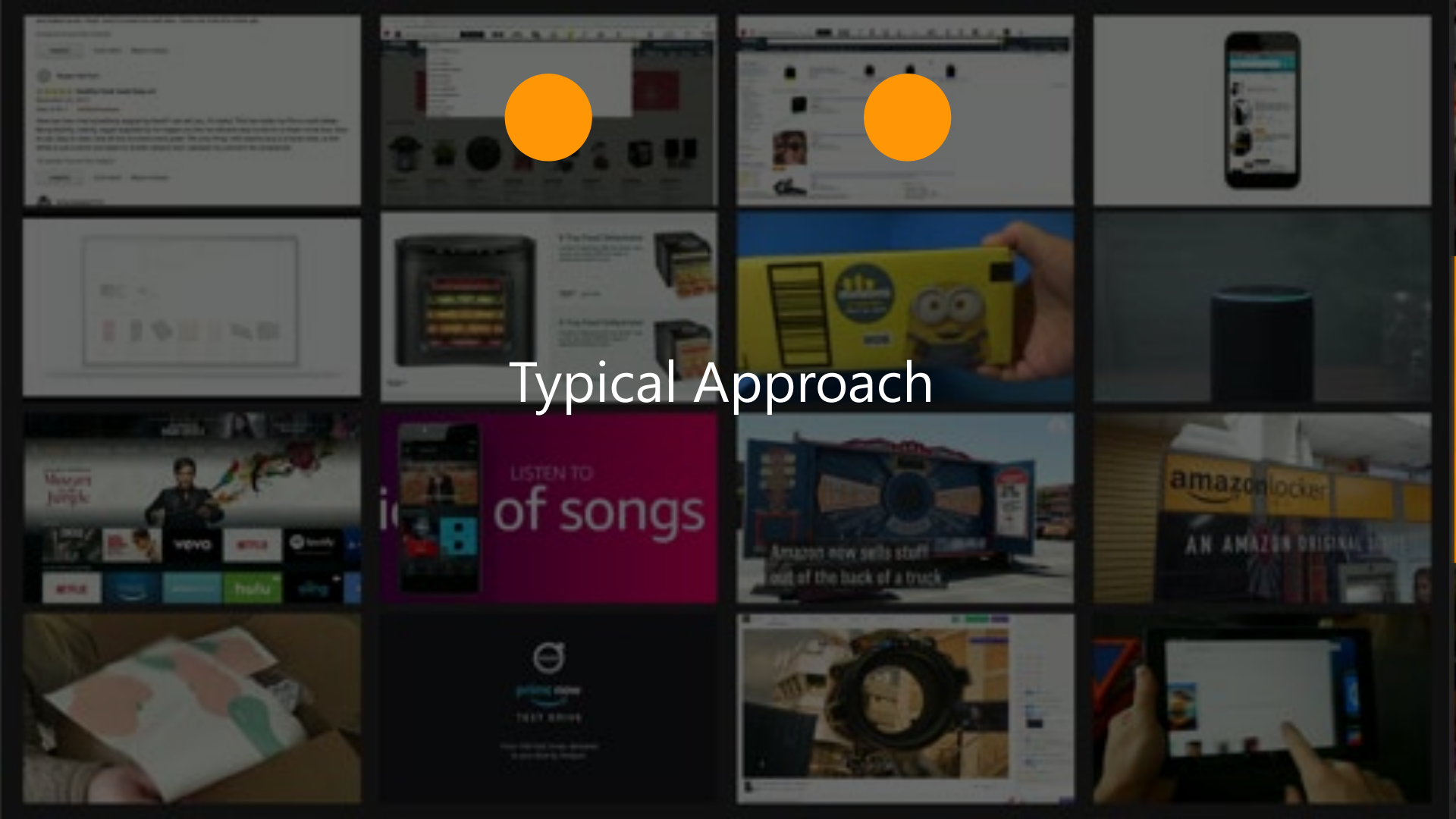
LISTEN TO
of songs

Amazon now sells stuff
out of the back of a truck

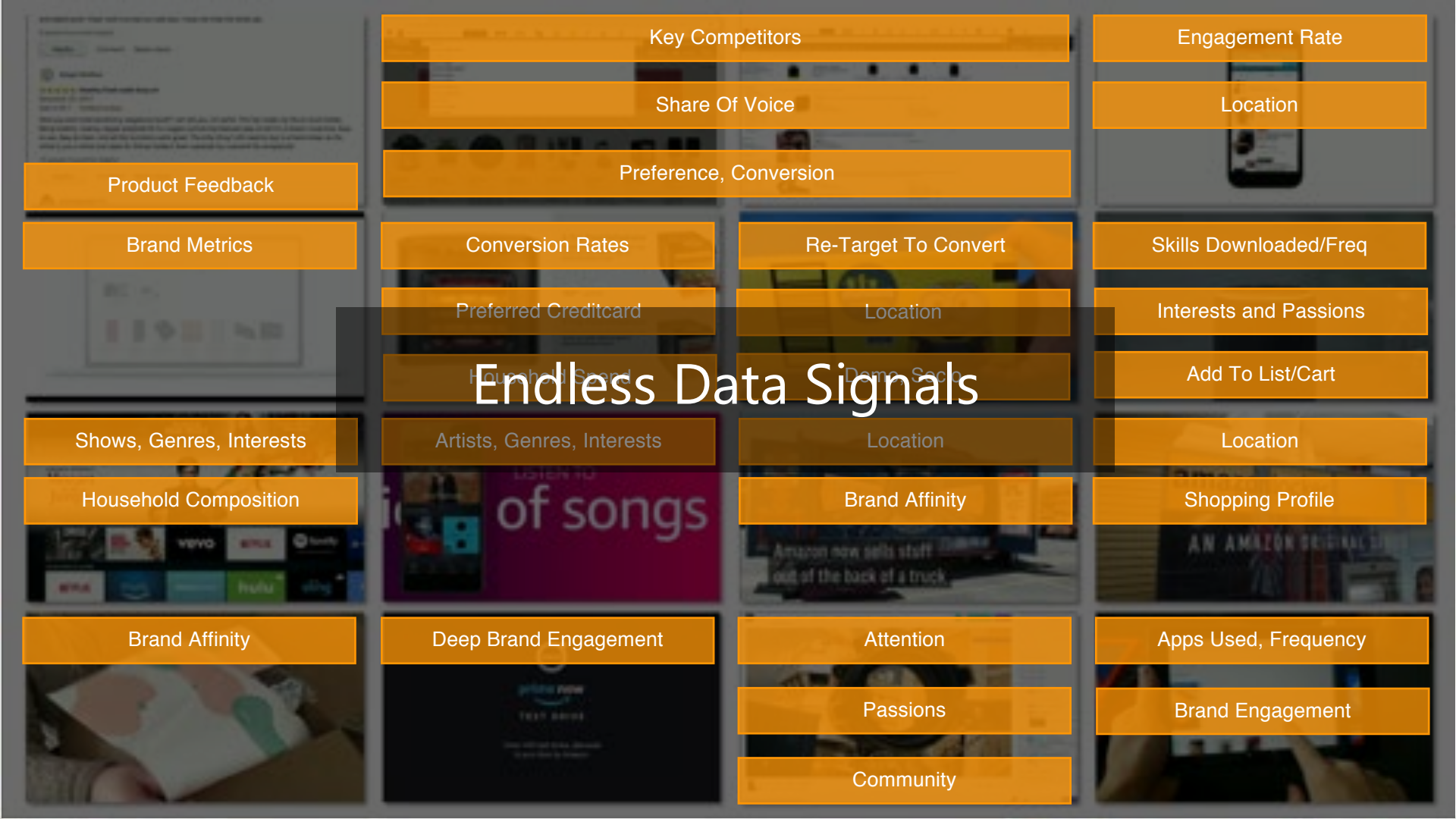
amazon locker
AN AMAZON ORIGINAL SERIES

prime now
TEST DRIVE
Volvo V40 test drives, delivered
to your door by Amazon.




Typical Approach
LISTEN TO
of songs
Amazon now sells stuff
out of the back of a truck.
amazonlocker
AN AMAZON ORIGINAL

The Actual Consumer Journey


Key Competitors
Engagement Rate
Share Of Voice
Location
Product Feedback
Preference, Conversion
Brand Metrics
Conversion Rates
Re-Target To Convert
Skills Downloaded/Freq
Preferred Creditcard
Location
Interests and Passions
Household Spend
Demo, Socio
Add To List/Cart
Endless Data Signals
Shows, Genres, Interests
Artists, Genres, Interests
Location
Location
Household Composition
Brand Affinity
Shopping Profile
Brand Affinity
Deep Brand Engagement
Attention
Apps Used, Frequency
Passions
Brand Engagement
Community

*“There is no platform that can match it— Google can’t, Facebook can’t — Amazon has **25 years** of consumer purchase data. They know exactly how we buy. It’s not like Nielsen data or survey data — it’s totally detailed and accurate, they know what triggers affect your behavior, and they know exactly what happens when we buy.”*

Sabir Semerkant
Chief Strategy Officer at NaturesPlus

Current digital advertising revenue share:

37.2%

22.1%

amazon

8.8%

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	amazon	
Verified Purchase	YES, verified – 50% of US ecom	3rd Party Data
Product Searches	54% US market share*	46% share
Video	O&O, Prime TV, FireTV, IMDB TV, Smart TV Apps	YouTube, AdX
Display	O&O, Top Pubs, Server-Server	Broad /AdX
Location	App, Physical Stores	Apps incl Maps/Waze
Music	Prime Music	YT, Google Music
Assistant	67% market share**	30%
Tablets	7.1% US share***	> 0.5%

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Sources: *Jumpshot Sept, 2018Emarketer Dec 2018 ***Statcounter, March 2019

	amazon	
Verified Purchase	YES, verified – 50% of US ecom	3rd Party Data
Product Searches	54% US market share*	Negligible
Video	O&O, Prime TV, FireTV, IMDB TV, Smart TV Apps	O&O, FB Network
Display	O&O, Top Pubs, Server-Server	O&O, FB Network
Location	App, Physical Stores	Apps
Music	Prime Music	No
Assistant	67% market share**	Negligible
Tablets	7.1% US share***	No

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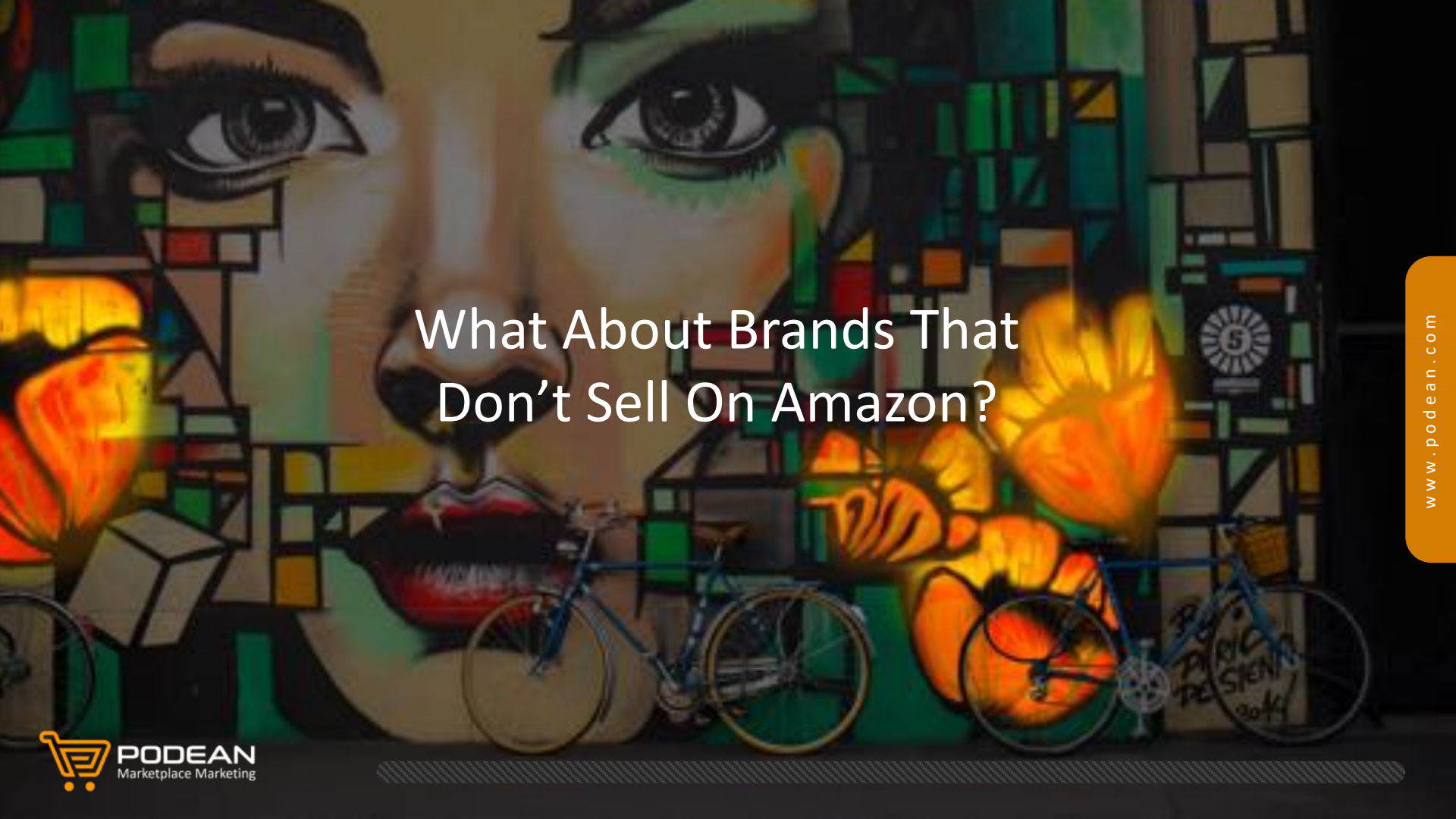
Sources: *Jumpshot Sept, 2018Emarketer Dec 2018 ***Statcounter, March 2019



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“Amazon has changed the whole consumer journey proposition and all our expectations — there is so much to be learned from what they do well. How do we become more open - minded about new ways of doing business? If Jeff Bezos were to look at our industry, what would he tell us to do going forward? My guess is that he would not do many of the things that we have been doing. It’s time for us to make a leap, to think like Amazon does.”

Kimberley Sweet Gardiner
CMO at Mitsubishi Motors North America

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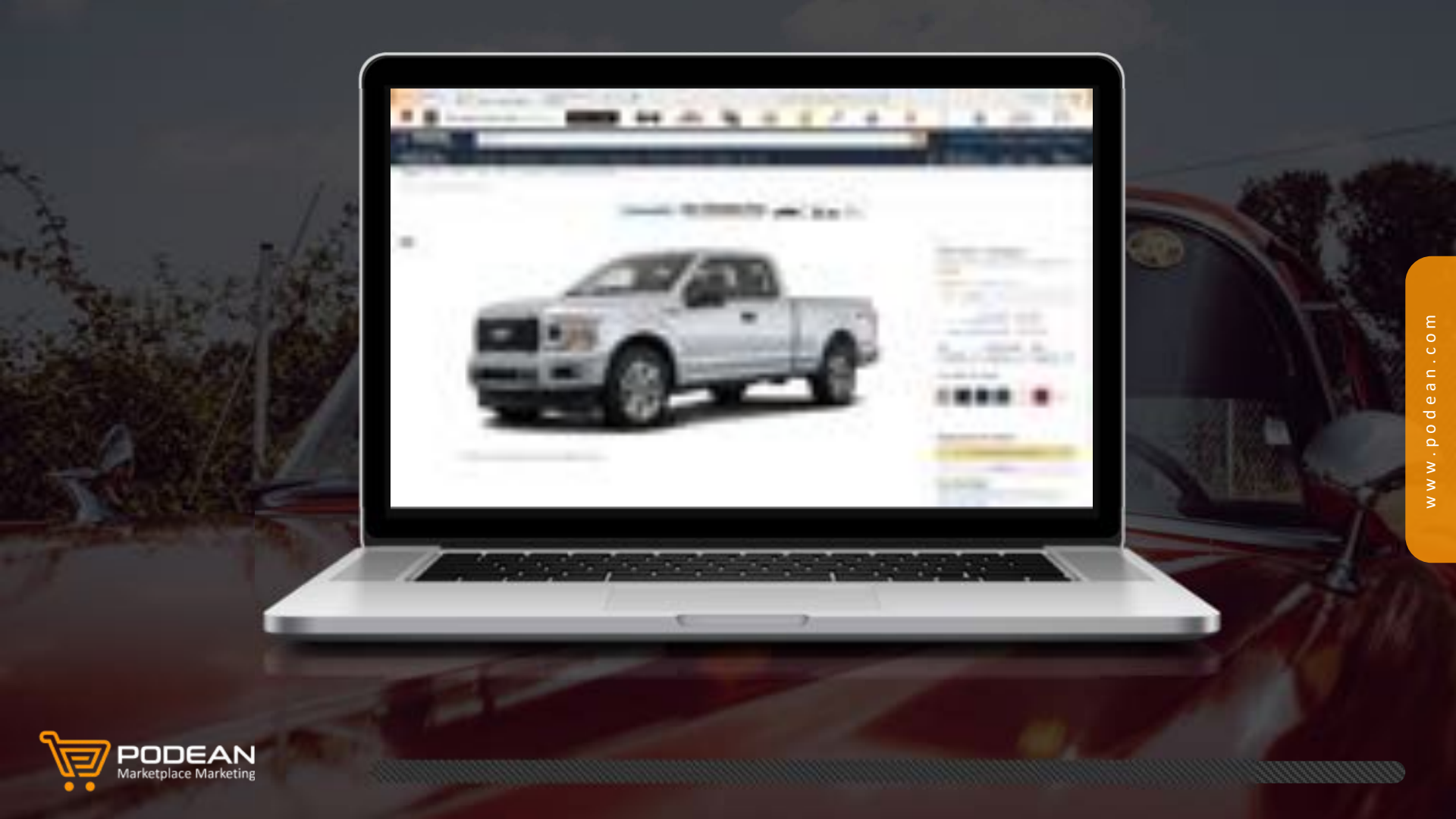

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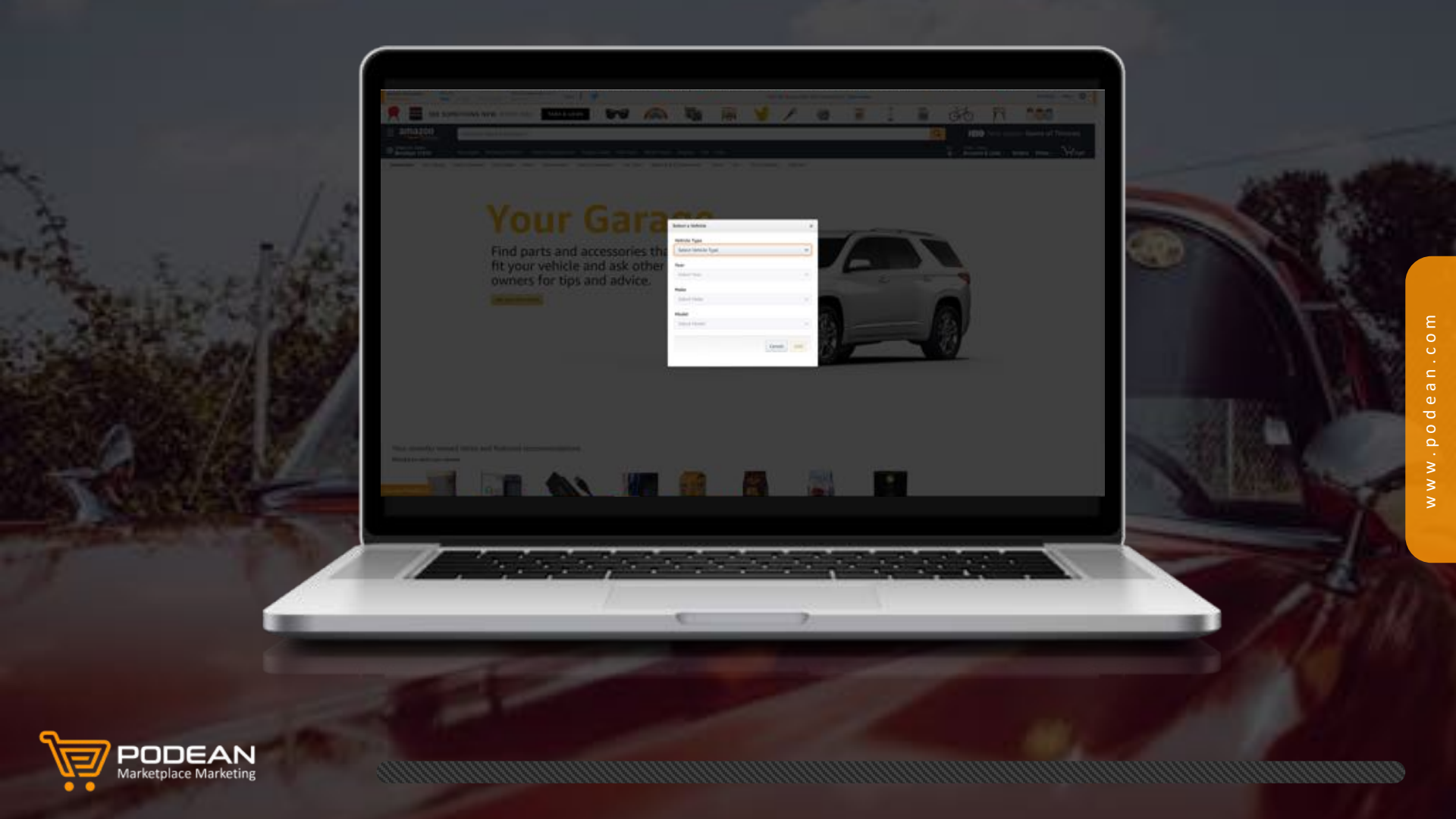

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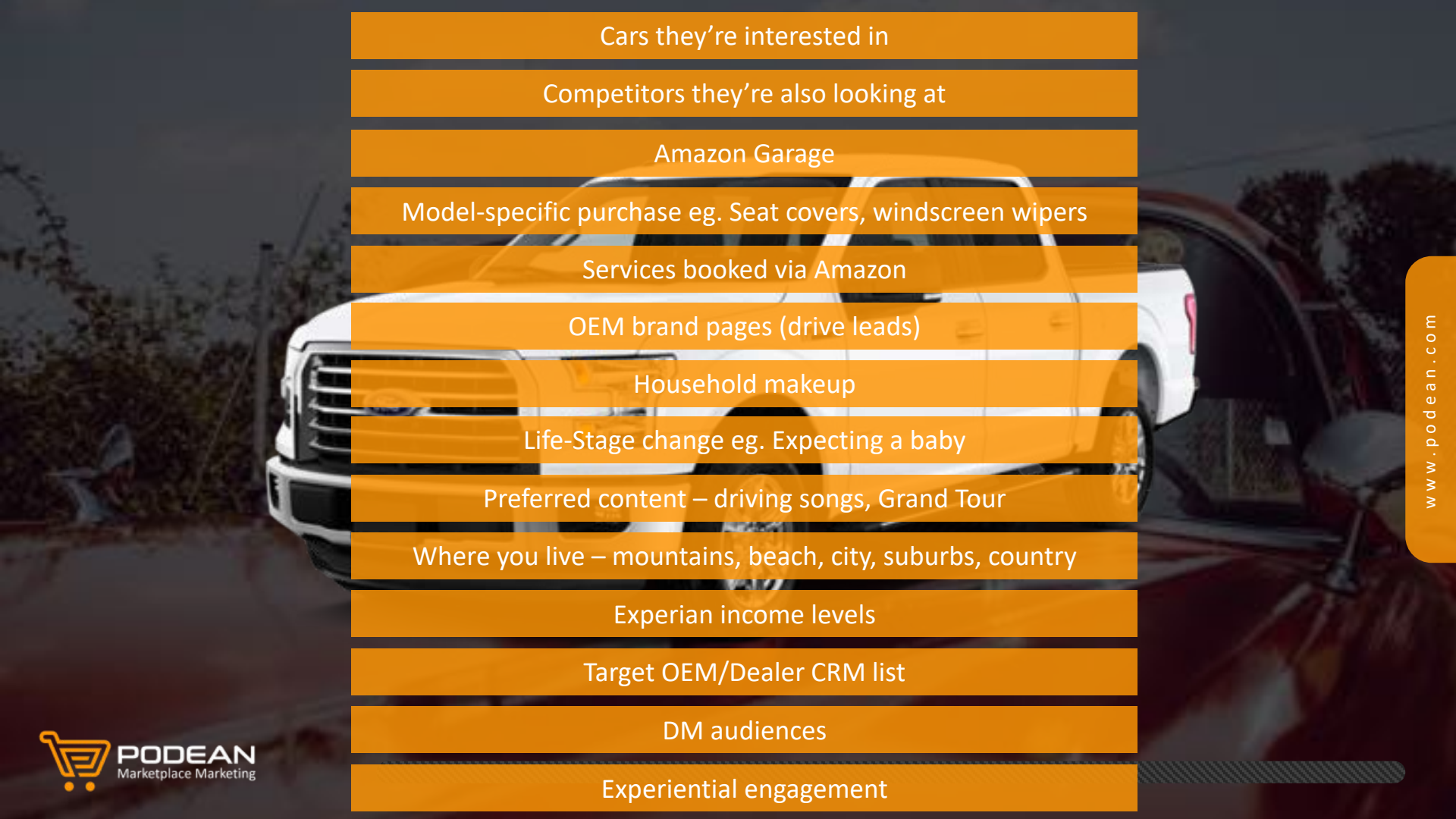

- Cars they're interested in
- Competitors they're also looking at
- Amazon Garage
- Model-specific purchase eg. Seat covers, windscreen wipers
- Services booked via Amazon
- OEM brand pages (drive leads)
- Household makeup
- Life-Stage change eg. Expecting a baby
- Preferred content – driving songs, Grand Tour
- Where you live – mountains, beach, city, suburbs, country
- Experian income levels
- Target OEM/Dealer CRM list
- DM audiences
- Experiential engagement

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- Card they currently use
- How often change cards
- Lifestage/Life events eg. Baby and wedding registry
- Value and frequency of purchases
- Household makeup
- Where you live
- Car driven, age of car, when purchased
- DM audiences
- Experiential

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IMDb TV

fire tv

prime video

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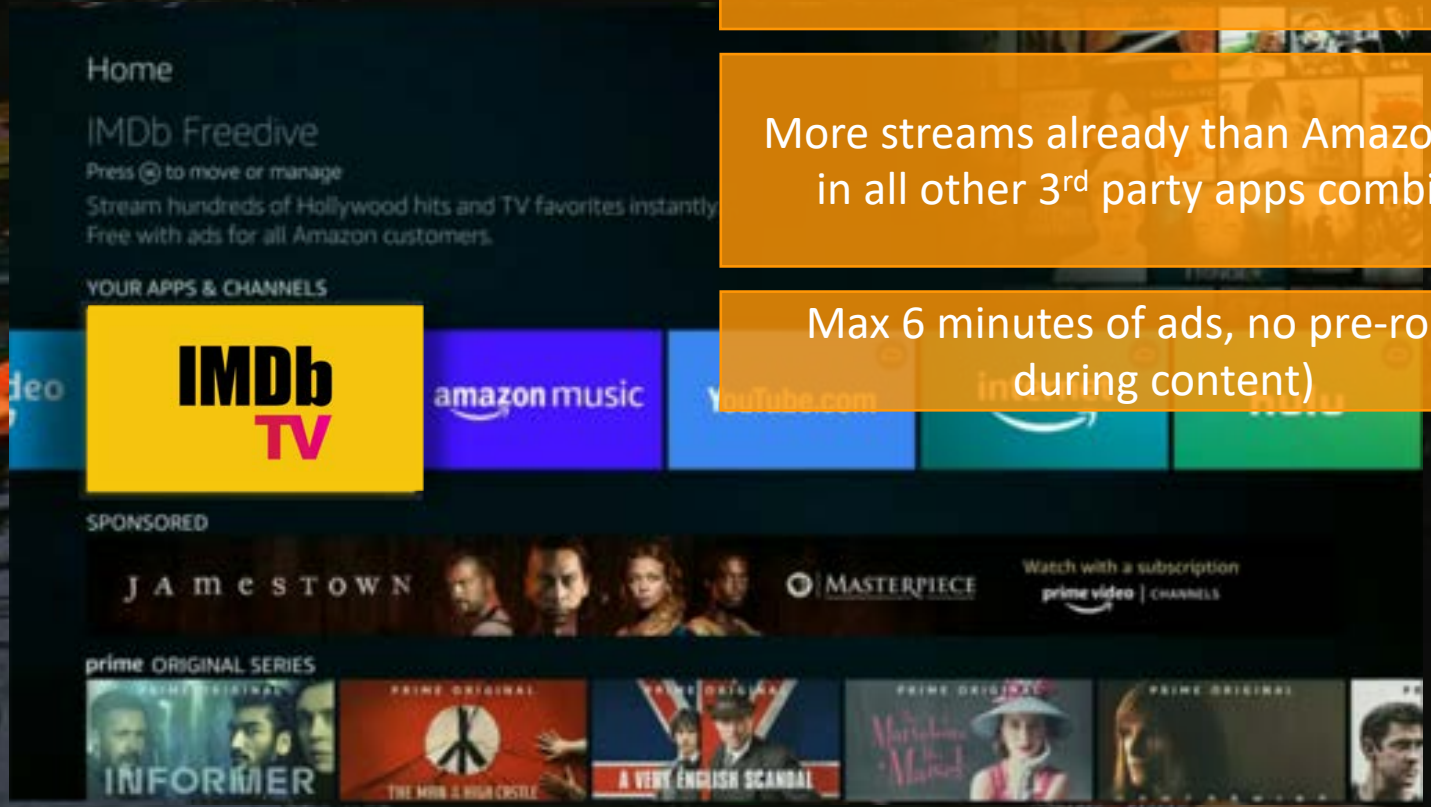
Launched Jan 2019

More streams already than Amazon's ads in all other 3rd party apps combined

Max 6 minutes of ads, no pre-roll (all during content)



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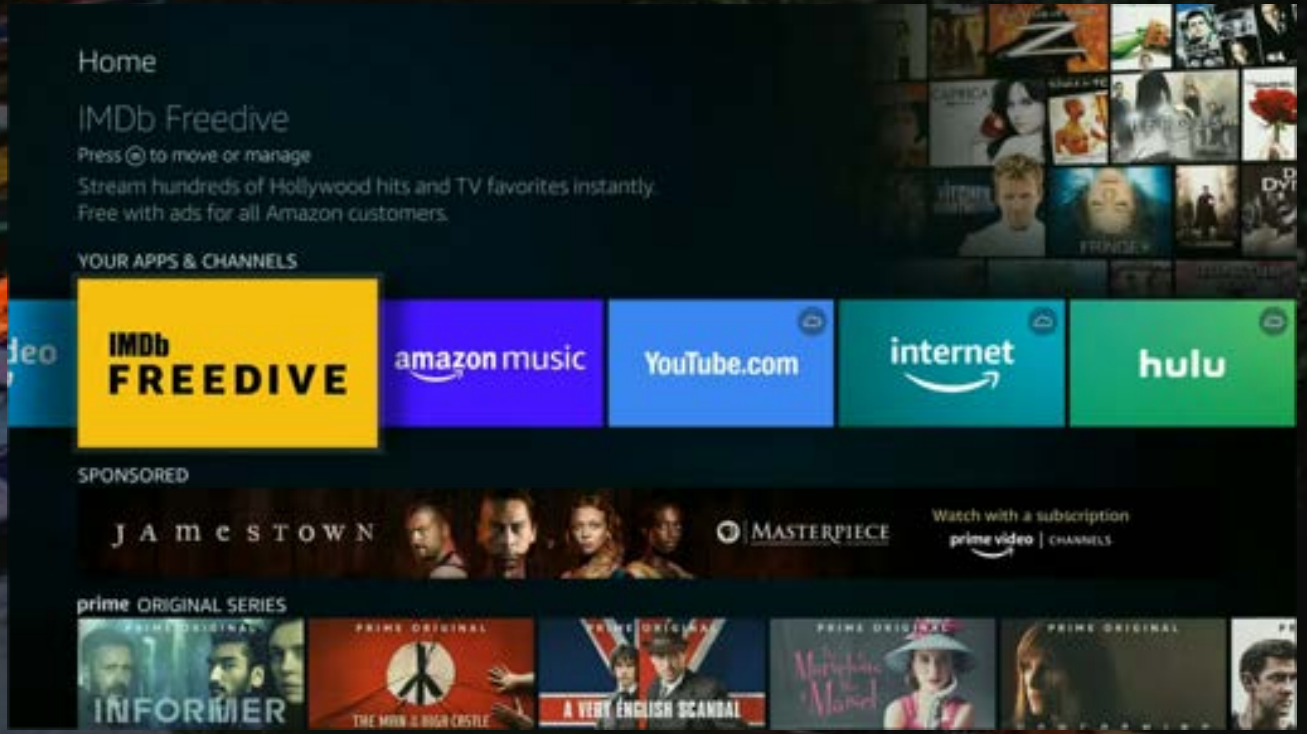

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Prime Video has 96m people streaming versus 150m Netflix and 75m Hulu (Emarketer July 2019 - US)
14,210 movies (vs Netflix 3803 / Hulu 1,437)

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amazon alexa

- 100m+ Alexa-enabled devices sold
- Estimated 38m Echo devices in US
- 70,000 skills
- Integrated into 28,000 appliances/devices
- Echo owners spend 10% more on Amazon than before they owned one

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amazon alexa

BRIEF

Audi sponsors Alexa briefing from The New York Times

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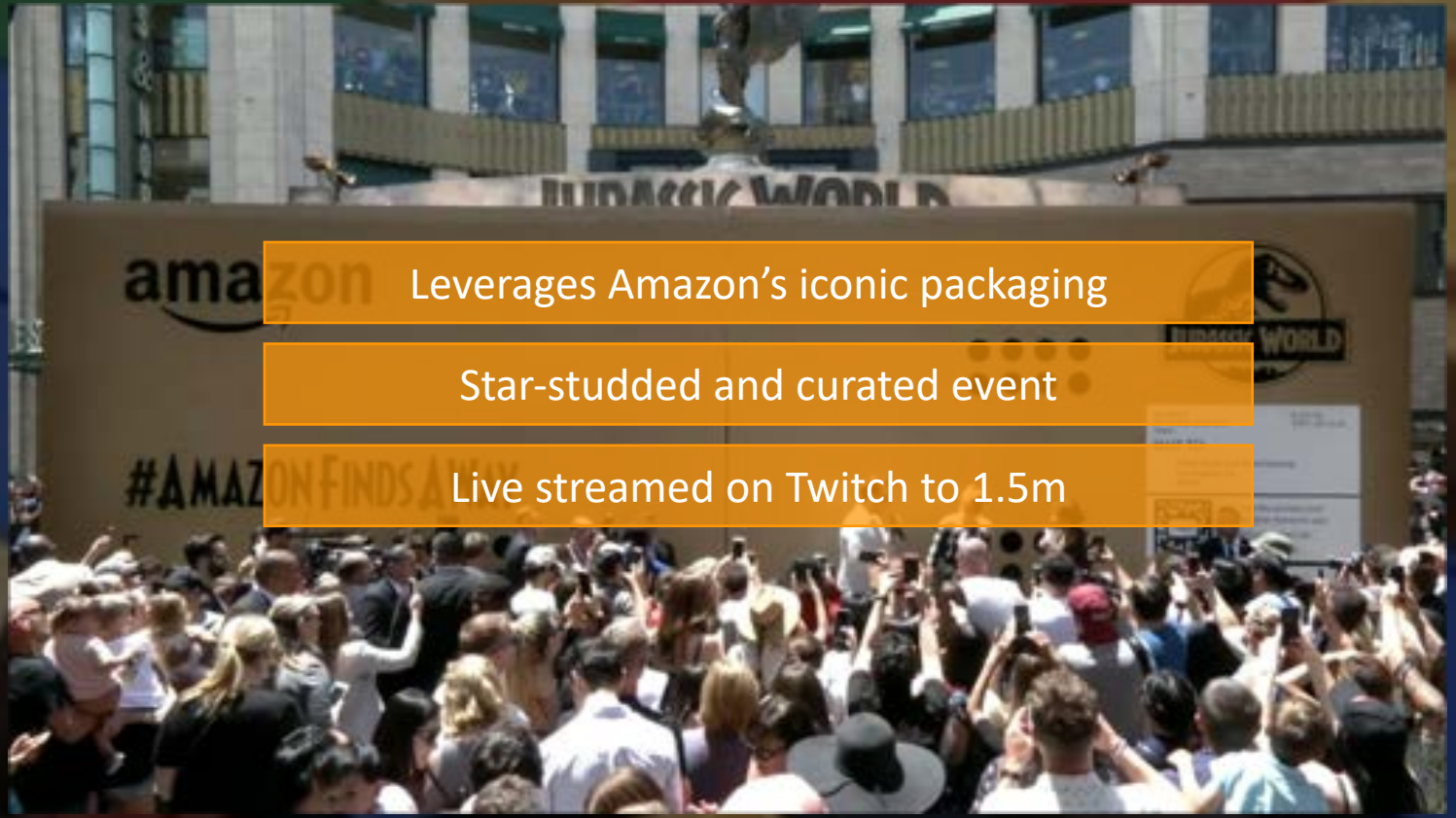
Experiential



Experiential

- Interactive experience at ComicCon 2018
- Full product integration
- Integrated over 100 smart devices
- Thousands participated
- Live streamed on Twitch to 1.5m

Customers don't just use Amazon search

Amazon is a full funnel, closed loop marketing ecosystem

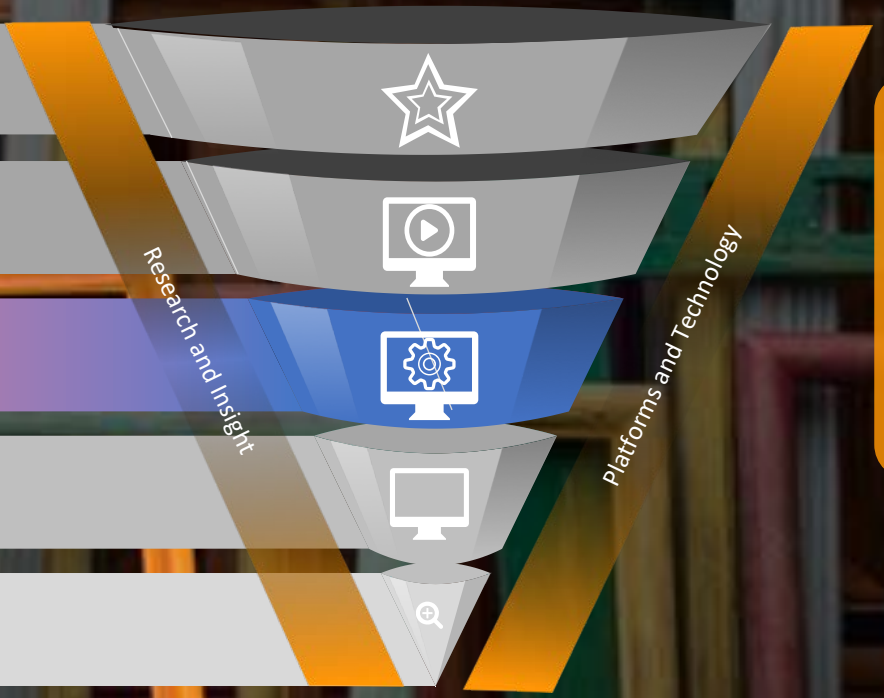
Custom/ High Impact / Experiential
Utilizing all Amazon assets to impact your audience and drive awareness.

Video
Engaging the right customers in an impactful way

Programmatic Display
Both on Amazon properties and the partner network.
Using 1st party data

Broader Display
Reach new customers in-aisle on Amazon O&O

Search
Capture in-market consumers.
Re-targeting shoppers.



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Amazon's 14 Leadership Principles

- Customer Obsession
- Ownership
- Invent and Simplify
- Are Right, A Lot
- Learn and Be Curious
- Hire and Develop the Best
- Insist on the Highest Standards
- Think Big
- Bias for Action
- Frugality
- Earn Trust
- Dive Deep
- Have Backbone; Disagree and Commit
- Deliver Results

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"You have to move at the pace Amazon moves. Don't craft one thing and decide that's how it's always going to be. Don't treat it like we've treated traditional brick-and-mortar retail, where you plan something for months and then once you launch it, that's it. You've got to dive back in, look at the data, see if what you have is working, and be willing to quickly make changes."

Jon Regala
Head of Amazon, Sony Mobile

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The Hierarchy of Brands Needs (For Amazon)

1. Brand Protection

2. Customer Experience

3. Operational Excellence

4. Market Penetration

5. International Expansion

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The Amazon Flywheel

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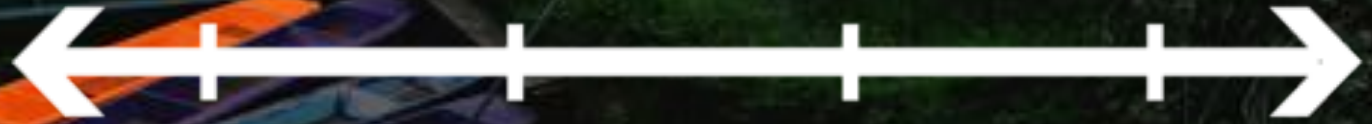
The Strategy Continuum



ACTIVELY UN-INVESTED*

IGNORANT

SEMI-INVESTED

ACTIVELY INVESTED

*with an actual defensible, differentiated offering

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The Amazon Iceberg

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Results Of Running Out Of Inventory

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The Amazon Algorithm

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Podean Sales Accelerator

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“When brands try to manage Amazon as simply a media relationship, or just a sales relationship, they’re not capturing the value and they’re not maximizing the opportunity. Whoever owns the relationship with Amazon, the key thing is the ability to move with speed, make decisions and influence every part of the system.”

John Halverson
Vice President of Global Media, Digital & Data at Mondelez

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Organizational Challenges

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Organizational Challenges

CMO

Sales

Digital | Media | Marketing | Brand | Ecomm | Retail

Walled Gardens

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“If I were designing an organization, I would put Amazon with a Chief Growth Officer, because the CGO has responsibility across marketing, sales, and digital.”

John Halverson
Vice President of Global Media, Digital & Data at Mondelez

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Future Gazing

What else could Amazon do?

- Amazon Marketing Cloud (Closed Loop Marketing)
- Take On Google In Generic Search
- Disruption of B2B, Health, Finance
- Alexa As My Own Virtual Assistant
- AI-Powered Home Robotics
- Redesign The Internet?

4 Key Takeaways For Strategists

1. The only failing strategy is to NOT have a strategy
2. Think of Amazon beyond the online store, but as a brand building ecosystem
4. Thinking like Amazon will accelerate your success
3. Plan holistically across Amazon and integrate into a broader omni-channel marketing strategy

Commit and Dive Deep

“If you’re going to play on Amazon, you have to decide whether or not you’re really going to go for it. If you’re not going to go all in, you’re really not taking advantage of all the great things Amazon has to offer.”

Sarah LaVallee,
Vice President of E-Commerce - Wandering Bear Coffee

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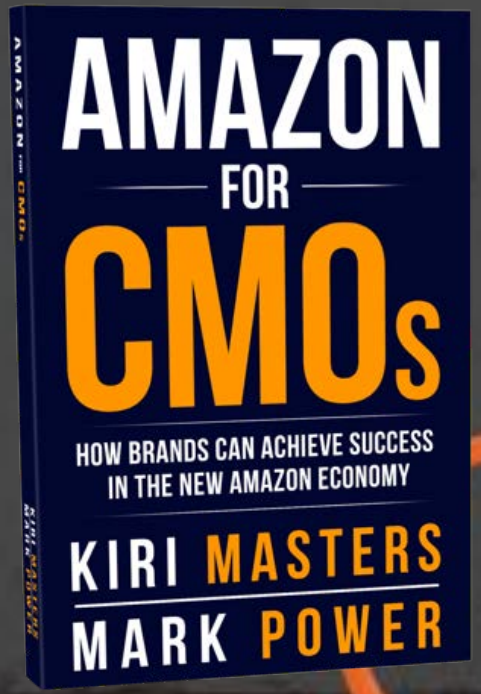

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(WHERE ELSE?)

amazonforcmos.com

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