

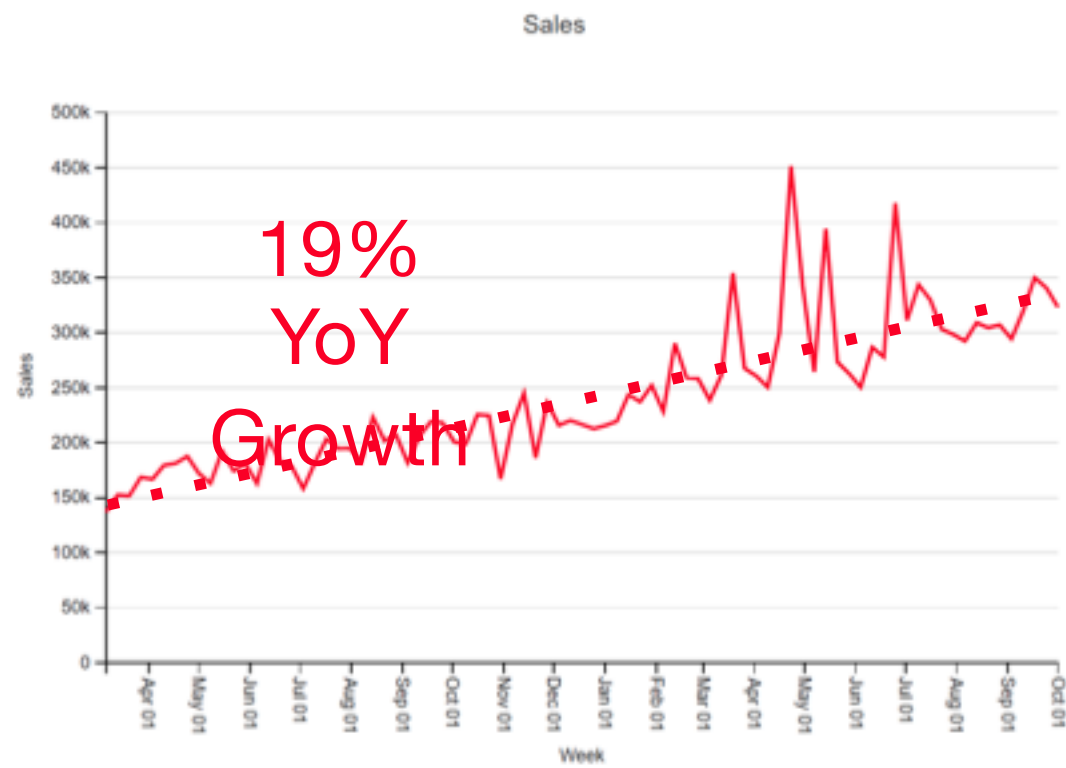


Lessons from Digitally Native Brands

May 2018

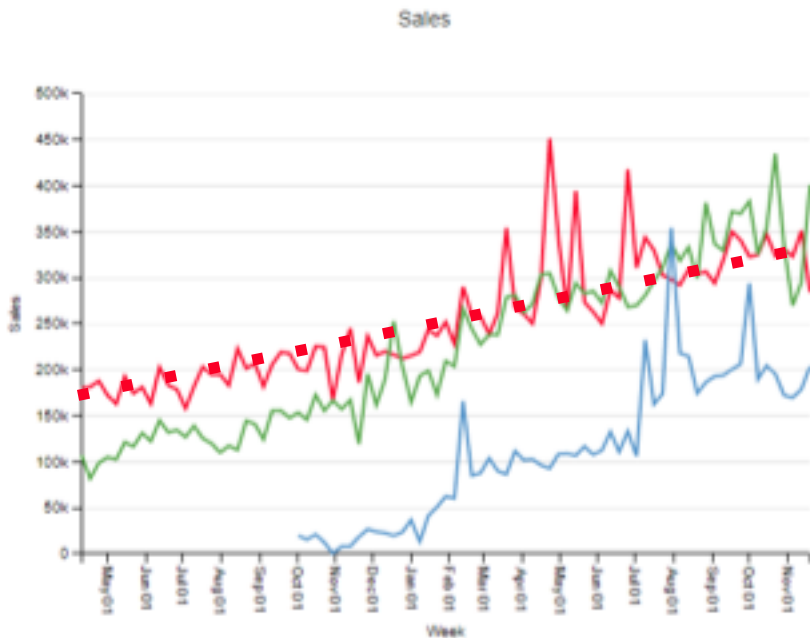
spencer@oneclickretail.com

Example: Many companies are growing sales on Amazon



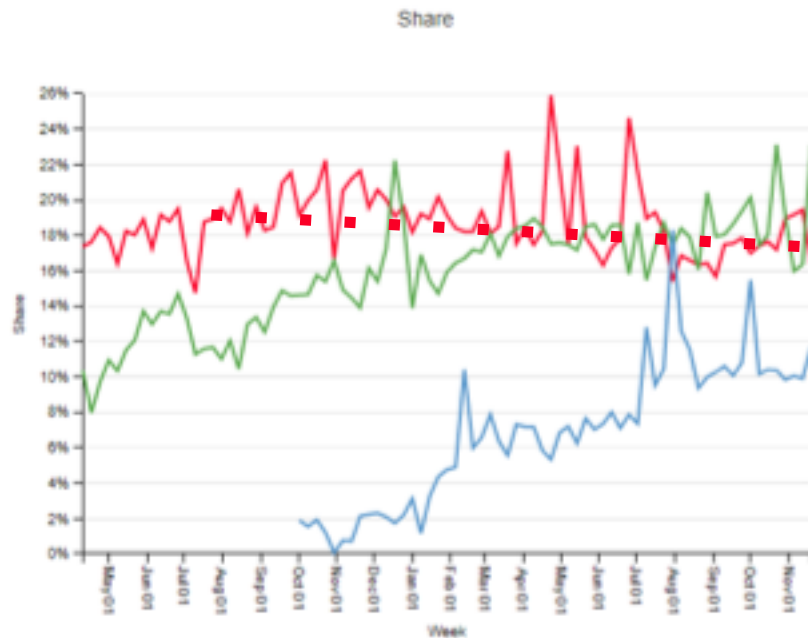
...But losing in market share as competition grows even faster

19% YoY Growth



1 of 1

(7%) YoY Loss



We serve some of the best brands in the world

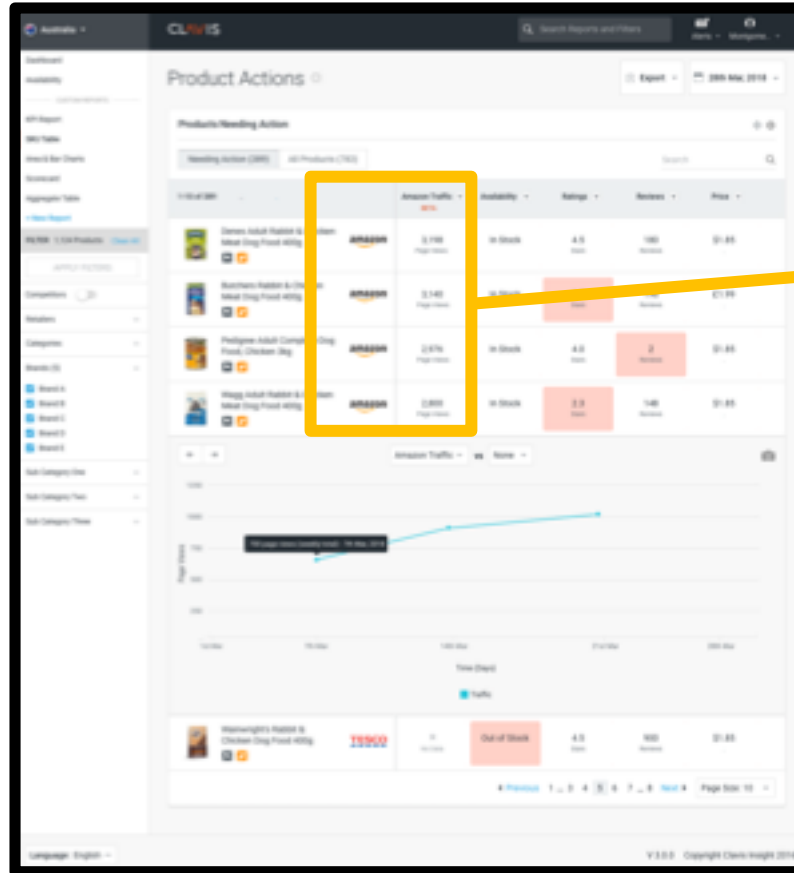


/ Ascential is creating the most comprehensive, accurate and actionable eCommerce insights platform in the world

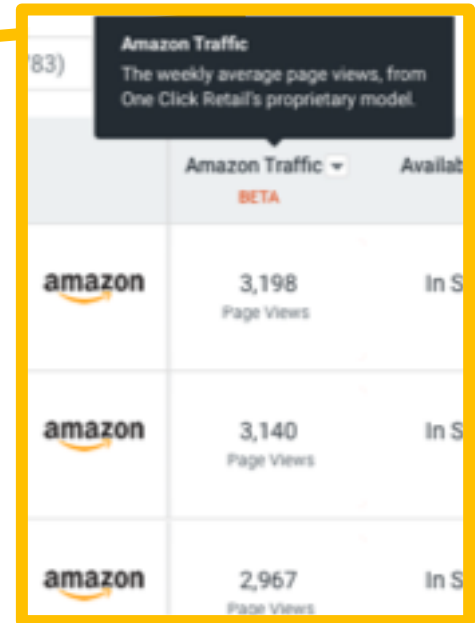
ASCENTIAL



July 1: Prioritized Amazon Actions (OCR Traffic + Clavis)



Prioritize your actions
the same way Amazon does, based on eyeballs to your detail pages



July 1: Prioritized Amazon Actions (OCR Traffic + Clavis)



Deep Dive on your traffic by SKU.

Only One Click provides SKU level traffic so you know if your marketing, SEO, or other traffic drivers worked.

Product Actions

Products/Reading Action

Product	Amazon Traffic	Availability	Ratings	Reviews	Price
Denver Adult Rabbit & Chicken Meat Dog Food 400g	3,198 Page views	In Stock	4.5 stars	180 Reviews	\$1.85
Buchanan Rabbit & Chicken Meat Dog Food 400g	3,140 Page views	In Stock	2.5 stars	796 Reviews	\$1.85
Philippine Adult Complete Dog Food - Chicken Dog	2,676 Page views	In Stock	4.5 stars	2 Reviews	\$1.85
Waggy Adult Rabbit & Chicken Meat Dog Food 400g	2,893 Page views	In Stock	2.5 stars	148 Reviews	\$1.85

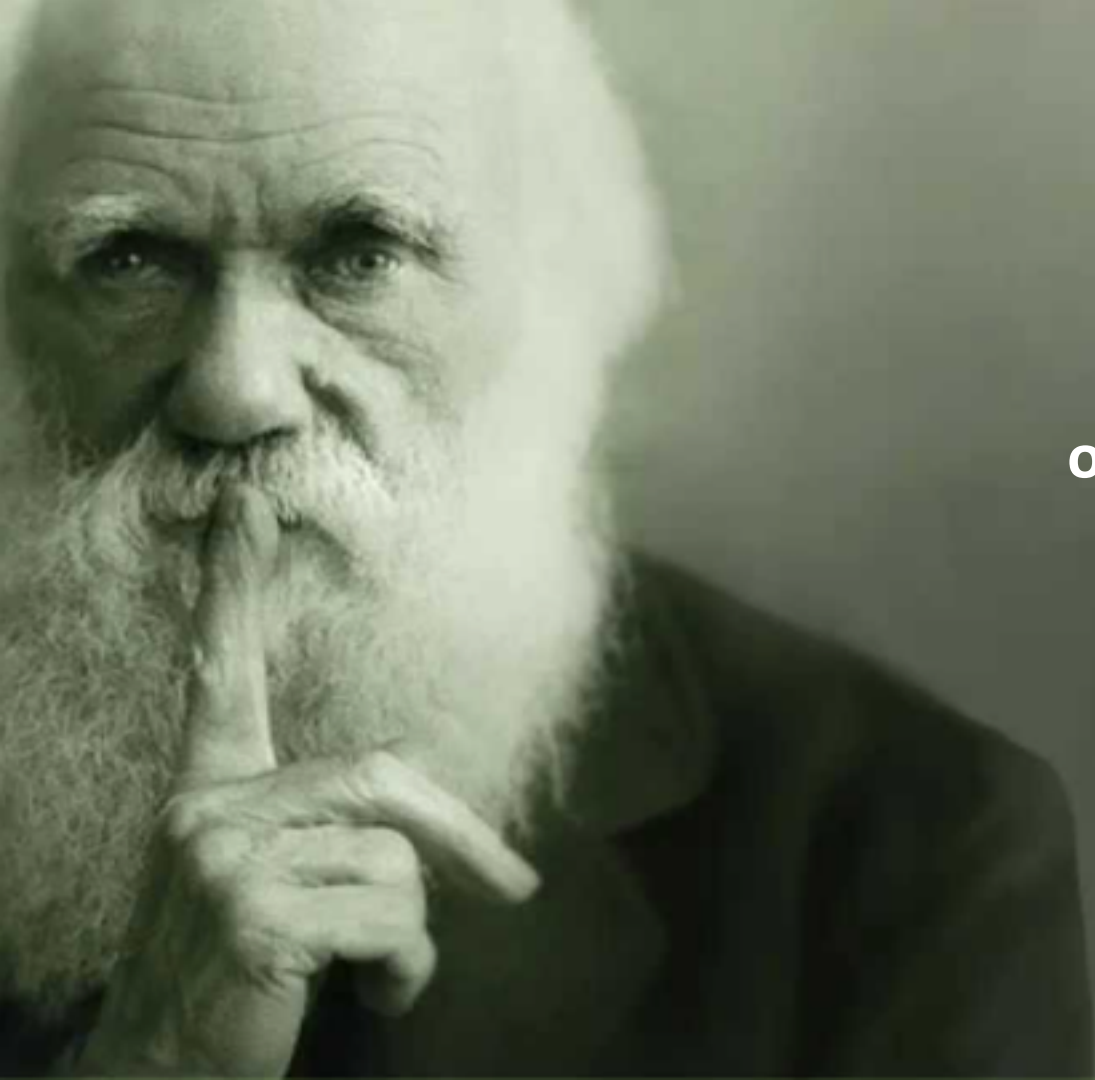
Amazon Traffic vs None

Page Views

Time (Days)

Traffic

700 page views (weekly total) 7th Mar, 2019



“

It is not the **strongest**
of the species that **SURVIVE**,
nor the most **intelligent**,
but the one most
RESPONSIVE TO CHANGE.

Charles Darwin

Small upstart brands are now beating many large incumbents

Incumbents *losing* on Amazon



Digital Natives *winning* on Amazon:



Competitive threats are changing



1. Branded Competition (1P Sales)

- ex. Coke vs. Pepsi

2. Store / Private Brand

- ex. Great Value, Amazon Elements, etc.

3. Other 3P Sellers / Distributors of Your Items

- ex. Gray market sells unauthorized product

4. Small “No Name” Brands

- ex. “mPow” vs. Bose

So...
what are these
digitally native brands
are doing?

Digitally Native Companies:

1. Focus on **data and eCommerce** capabilities
2. **Age and Add ASINs** (but don't delete)
3. **Dominate search** to drive traffic
4. Use **on page content** to convert

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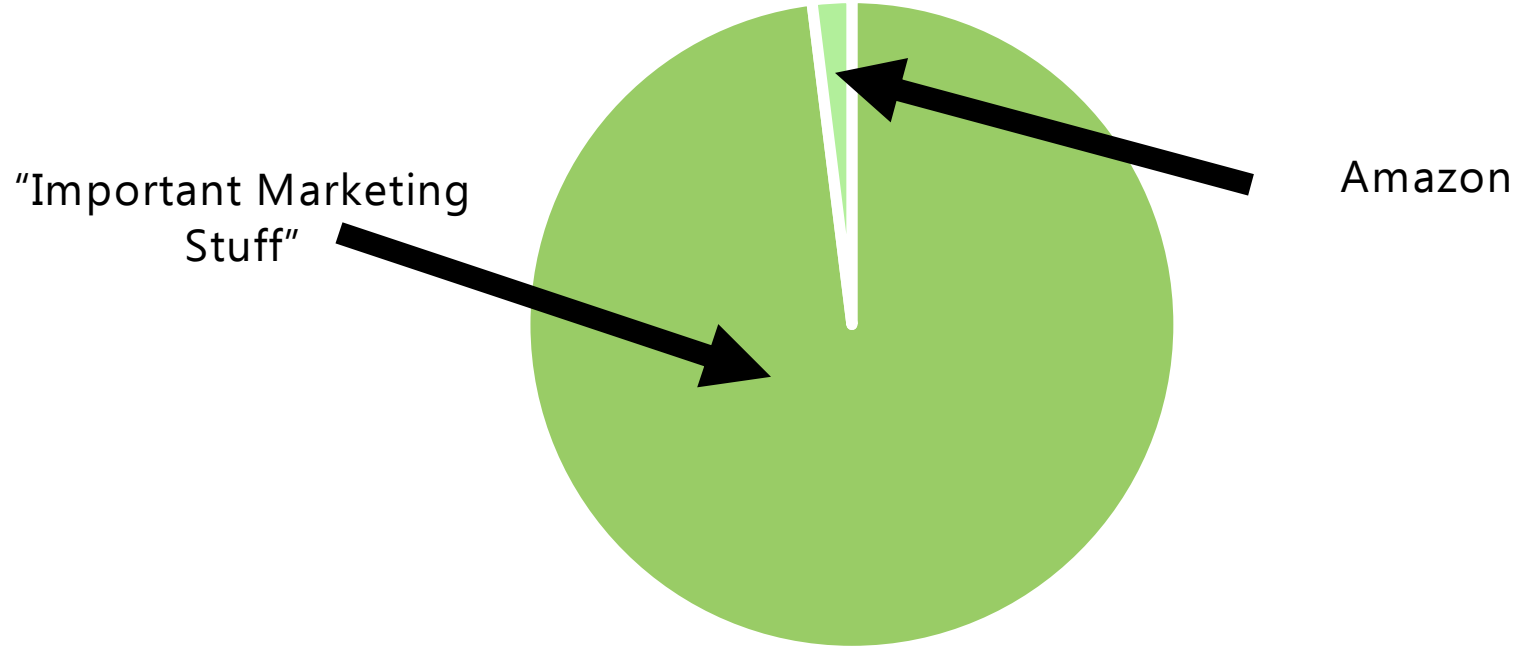
The Perception:

“Amazon is just another sales channel like Target or Walmart, and in fact has lower sales.

Take care of the base. If we have left over budget, we can test these new channels”



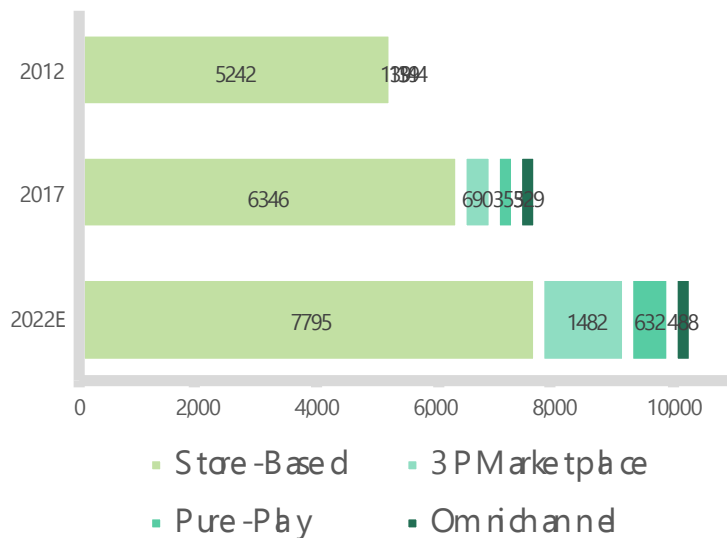
Old School Budgeting: Amazon is an afterthought



The data:

Brick/Mortar = Majority of Sales

Global Chain Retail Breakdown (\$B)



Source: PlanetRetail RNG database

eComm = 46% of all growth

Business Model	Sales/GMV (\$B)		Share of Sales/GMV (%)		Sales/GMV CAGR (%)		Sales/GMV Added (\$B)		Share of Sales/GMV Added	
	2017	2022E	2017	2022E	12-17	18E-22E	13-17	18E-22E	13-17	18E-22E
Store-based	6,346	7,795	82	75	3.9	4.2	1,104	1,449	55	54
Ecomm	1,373	2,601	18	25	24.8	13.6	919	1,228	45%	46%
3P Marketplace	690	1,482	9	14	36.7	16.5	546	792	27	30
Pure-Play	355	632	5	6	20.6	12.2	215	277	11	10
Omnichannel	329	488	4	5	14.0	8.2	158	159	8	6
Global Chain Total	7,719	10,396	100	100	6.3	6.1	2,023	2,677	100	100

**78% of customers
have purchased
*while in a store
on a mobile device***

When in store, customers:

- 1. *Price*** compare other retailers
- 2. Research product *ratings and reviews***
- 3. Read *product details***

Source: Institute for Operations Research and the Management Sciences; February 2, 2017; Source 2: <http://fortune.com/2017/04/28/5-reasons-amazon-physical-stores/>
Information customers viewed most frequently on Amazon WHILE in store:

Digital Natives: “fish where the fish are”

Budgets follow
customers

Not legacy



Source: many surveys say this, but this specific data came from a BloomReach survey in 2016

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Build orgs to support data, not relationships

Brick &
Mortar
Retail



Digitally Native Companies:

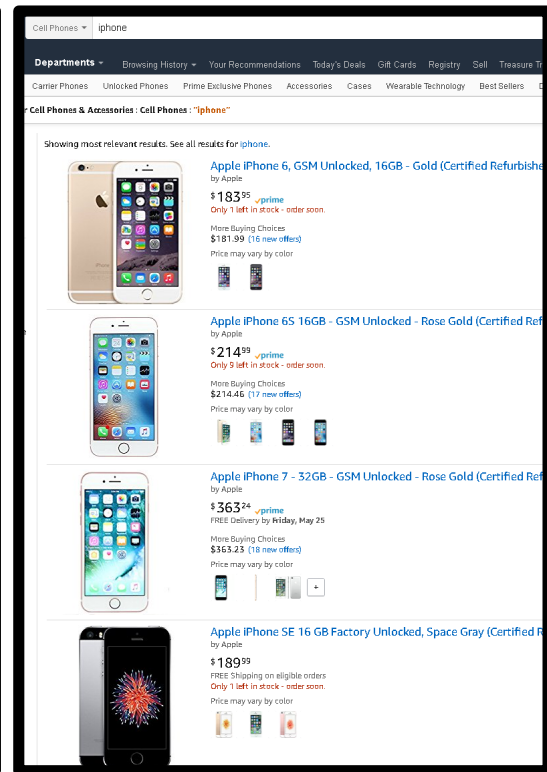
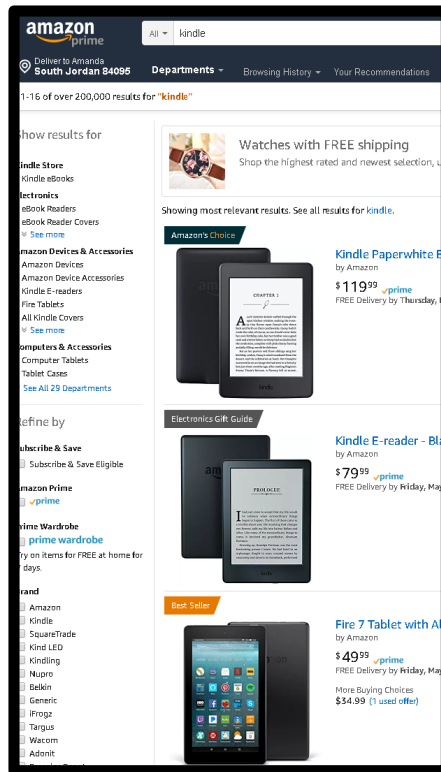
1. Focus on **data and eCommerce** capabilities
2. **Age and Add ASINs** (but don't delete)
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First: Age your ASINS

Better with Age:

The longer a product is online, the more relevant it becomes

Cheese, wine, and detail pages get better with age



Your algorithm results get better with age

UPC → ASIN → tied to:

- Search History
- Sales History
- Order History
- Variation Details
- Image Details
- 3P Sellers
- URL / Links
- Marketing / Bloggers
- A9 Seeding
- Personalization Widgets
- EPC Emails
- And More...

Top kindle review is
3 years old

Has > 11K
"Helpful" clicks

One Click Retail 23

Second: Add to your ASINS (don't take away)

And not Or:

The long tail strategy is critical on Amazon.

Introduce the new,
but keep the old.



Who is the best at this? Amazon private brands



Added SKUs:
54
Discontinued:
2



Added SKUs:
114
Discontinued:
4



Added SKUs:
986
Discontinued:
14



Added SKUs:
136
Discontinued:
64

3rd Parties created a fast selling variety pack.

So Keurig made one themselves



Other Examples

Bai tests
new flavors by
**creating and
selling custom
3P packs**
on Amazon



Other Examples

Orgain paved the way
Digital Natives
followed fast
Incumbent was slow

Big Success



Fast Follow



Slow Follow



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Organic > Paid

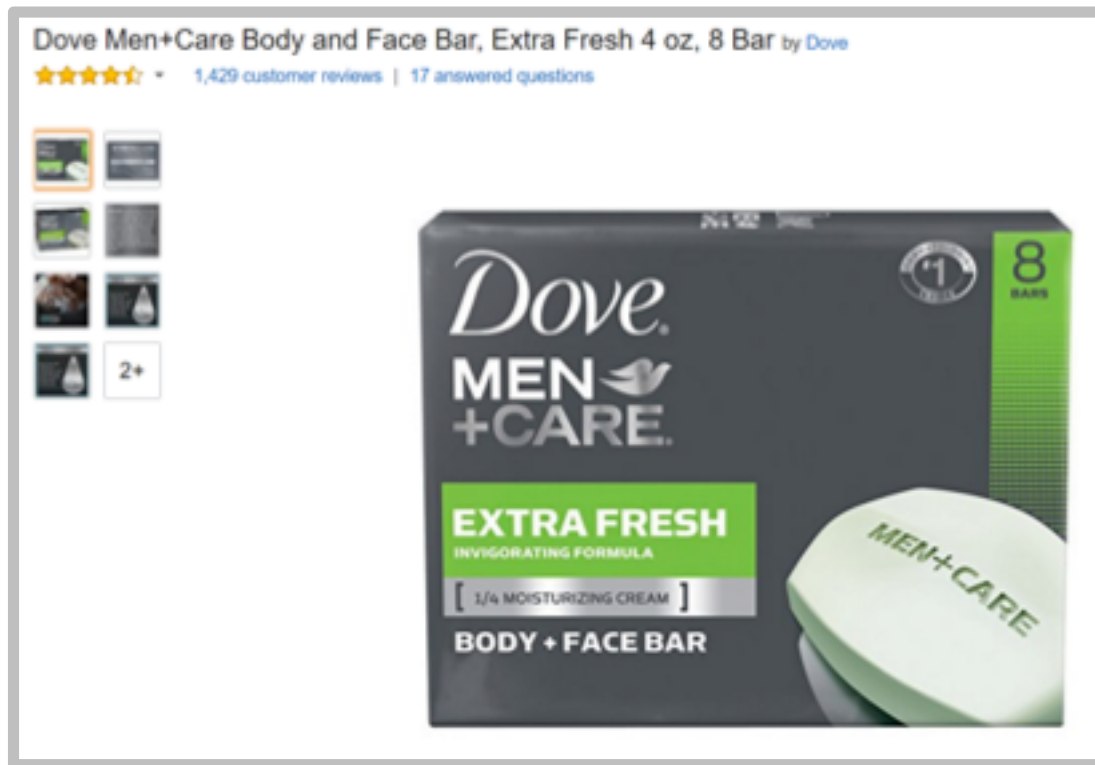
Organic > Paid

Example: Brand Speak



POP QUIZ:
What
is this item
called?

Example: Brand Speak



Search Term	Search Frequency
bar soap	90.26
dove sensitive skin bar soap	87.06
dove soap sensitive skin	86.54
dove mens soap	85.67
dove men soap	83.36
dove soap bar	81.85
dove bar soap	71.53
dove soap	65.26
dove soap men	49.04
dove for men soap	36.75
dove bar soap sensitive skin	33.05
mens bar soap	32.04
mens dove soap	29.96
dove soap bars	25.4
dove men+care	15.98
men soap	4.03
dove mens bar soap	2.06
dove face bar	0.01

Example: Brand Speak



Roll over image to zoom in



566 customer reviews | 40 answered questions

List Price: ~~\$19.50~~

Price: **\$13.73** + \$2.95 shipping

You Save: **\$5.77 (30%)**

Your cost could be \$3.73: Qualified customers get \$10 in bonus on their first reload of \$100 or more.

Note: Not eligible for Amazon Prime. Available with free Prime shipping from other sellers on Amazon.

In Stock.

Get it as soon as Oct. 10 - 13 when you choose **Standard Shipping** at checkout.

Ships from and sold by [Swim2000](#).

Color: **Black**



POP QUIZ:
What
is this item
called?

Example: Brand Speak



Roll over image to zoom in



Speedo Deluxe Ventilator Mesh Equipment Bag

★★★★☆ 566 customer reviews | 40 answered questions

List Price: ~~\$19.50~~

Price: **\$13.73** + \$2.95 shipping

You Save: **\$5.77 (30%)**

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Get it as soon as Oct. 10 - 13 when you choose **Standard Shipping** at checkout.

Ships from and sold by [Swim2000](#).

Color: **Black**



- Medium-sized equipment bag designed to hold all your swimming or beach essentials
- Open weave mesh for strength and quick drying
- Shoulder straps for backpack carry
- Bag Measures: 24" x 17" & Front zip pocket measures: 13" x 10"
- Pockets: 2 exterior

Search Term	Search Frequency
swim bag	97.67
speedo swim bag	97.54
mesh swim bag	91.63
swim bags for swimmers	90.62
swim bags	82.16
speedo mesh swim bag	78.02
speedo backpack swim bag	77.34
tyr swim bag	75.48
speedo swim bag backpack	70.11
swim bags for kids	60.67
speedo swim bags	56.72
swim bag speedo	39.84
kids swim bag	18.4

Non-Digital Native Brands **use brand speak**



Cheez It Big, Original, 11.7-Ounce

\$2⁵⁰ (\$0.21/Ounce)

Add-on Item

★★★★☆ = 68



Cheez it Bacon & cheddar baked snack crackers 11.5 oz

\$14⁹⁹ (\$1.30/Ounce)



Kellogg's Cheez-It Baked Snack Crackers, Original Reduced Fat, 11.7 Ounce

\$2⁸⁹ (\$0.25/Ounce) **fresh**

Only 19 left in stock - order soon.

★★★★☆ = 6



Cheez-It Snack Mix, Sweet and Salty, 8 Ounce Box

\$2⁹⁹ (\$0.37/Ounce)

Add-on Item

★★★★☆ = 53

Digital Native Brands **use terms customers use**

Baebody Retinol Moisturizer Cream for Face and Eye Area - With Retinol, Hyaluronic Acid, Vitamin E. Anti Aging Formula Reduces Look of Wrinkles, Fine Lines. Best Day and Night Cream. 1.7 FL Oz [Baebody](#)



3,299 customer reviews

| 185 answered questions

Amazon's Choice

Highlights for this product





About the product

- **ACTIVE RETINOL** - Our Retinol Cream Fights The Signs Of Aging With Active Retinol, Leaving Your Skin Smooth, Soft, and Glowing. Retinol's Age-Fighting Capabilities Can Help Diminish Most Signs of Aging Such As Wrinkles, Fine Lines, Uneven Skin Tone and Spots With Daily Long Term Use. Improves Skin Tone and


Digital Native Brands **use terms customers use**

Organys Lash & Brow Booster Serum Gives You Longer Fuller Thicker Looking Eyelashes & Eyebrows 100% Yours. Best Seller Conditioner Enhances The Appearance Of Natural Lush Eyelash Growth & Regrowth [Organys](#)

★★★★★ | 10,201 customer reviews | 353 answered questions | #1 Best Seller in Eye Glitter & Shimmer Makeup



Will Appear Thicker
and Nourished




About the product

- SHORT or SPARSE EYELASHES? THIN or OVER PLUCKED EYEBROWS? Your eyelashes break after mascara dries them out, they are pulled out by the eyelash curler, they are damaged from harsh eyelash extension glue, they are ripped by false lashes, or affected by stress, hormones and medical treatments. Your eyebrows have been aggressively plucked for years and are now thin or showing bald spots.

Digital Native Brands **use terms customers use**

ChocZero's Keto Bark, Dark Chocolate Almonds with Sea Salt. 100% Stone-Ground, Sugar Free, Low Carb. No Sugar Alcohols, No Artificial Sweeteners, All Natural, Non-GMO (2 Bags) [ChocZero](#)

★★★★★ 77 customer reviews | 10 answered questions #1 Best Seller in Candy & Chocolate Coated Nuts



About the product

- Dark chocolate is good for you, but it's even better when it isn't sweetened with sugar. Sweetened exclusively with monk fruit and soluble corn fiber, our bark uses no sugar alcohols and no artificial sweeteners.
- Low carb: only 2g net carbs per ounce.

Drive sales by responding to customer search behavior

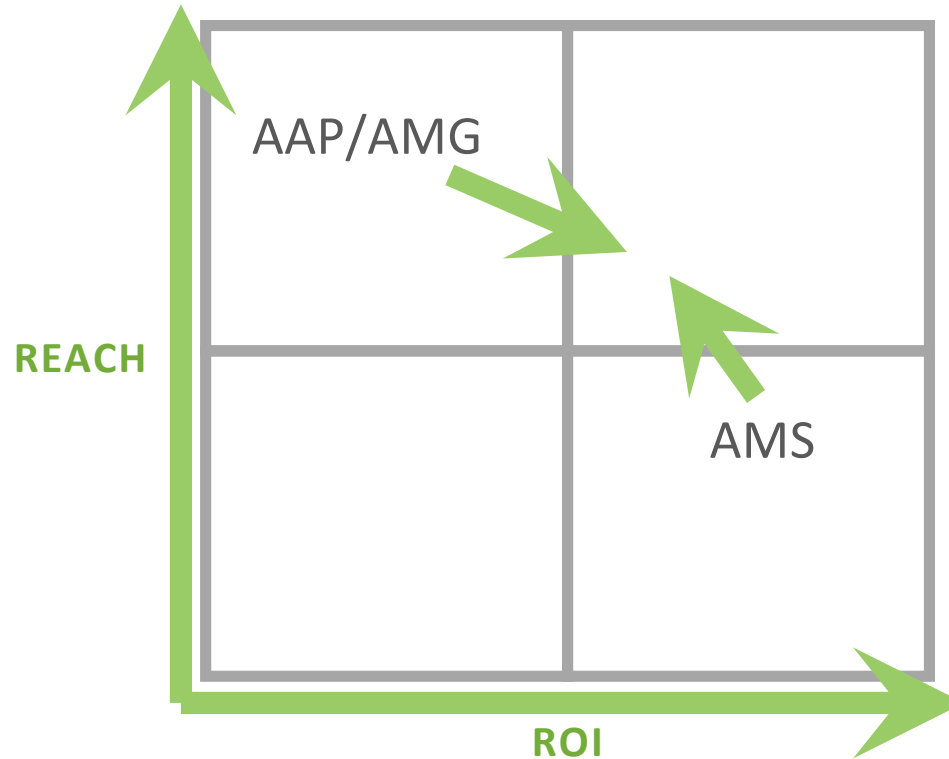
October 2017 Top-Selling Candies		Subcategory	Rank	2016 Rank
MARS Chocolate Halloween Candy Variety Mix 126.3-Ounce 400-Piece Bag		Chocolate Candy	1	N/A*
MARS Chocolate Favorite Halloween Candy Bars Variety Mix 96.2-Ounce 250-Piece Bag		Chocolate Candy	2	32
MARS Chocolate Minis Size Candy Bars Variety Mix 67.2-Ounce 240-Piece Bag		Chocolate Candy	3	5
MARS Chocolate and More Favorites Halloween Candy Variety Mix 95.1-Ounce 250-Piece Bag		Chocolate Candy	4	30
Hershey Chocolate Candy Bar Variety Pack, HERSHEY'S		Chocolate Candy	5	1
Milk Chocolate REESE'S				

Top candy keywords in October

1. halloween candy
2. Candy
3. chocolate

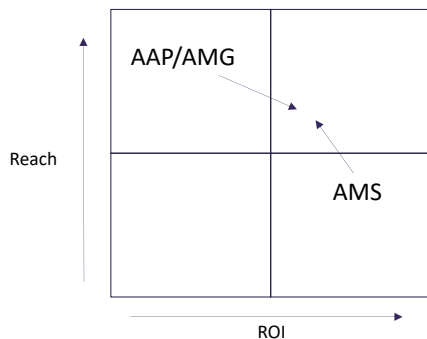
Organic > **Paid**

Pick your method based on your needs



Test and learn with Traffic

Match
your marketing
to your
product needs

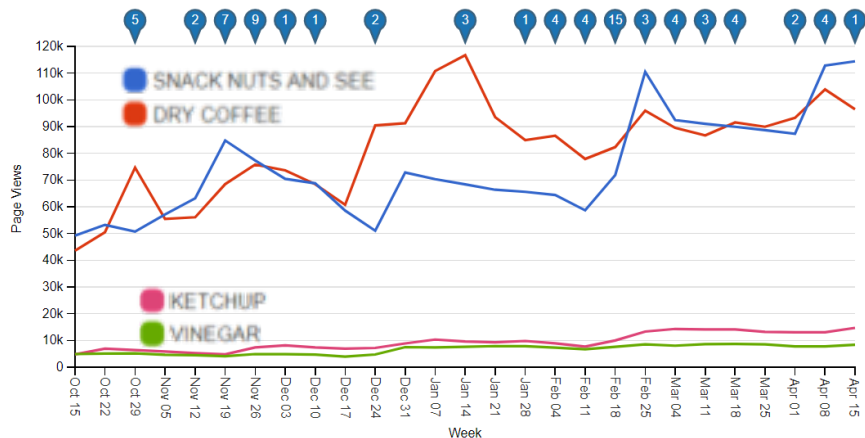


You're making your marketing plan.

AMS is best for ROI
AMG is best for reach

But how do I match the
marketing vehicle to the category?

Traffic *



High traffic categories → need more ROI
(Use more AMS)









VS

Low traffic categories → need more reach
(Use more AMG)

Better organic search lowers paid search cost

Winning Ad = Bid Price * **Relevance** * CTR



Bidding Ads	Bid Price	Relevance (A9 Search/Organic)	CTR PAID history AMS	Winning Ad
	\$2			
	\$10			

How is Amazon search different than Google?

Users Search Differently

On Google people ask questions, on Amazon people query on attributes



Keyword	Avg. Monthly Searches
sleep	110000
insomnia	246000
sleep apnea	201000
how to fall asleep	49500
sleep deprivation	40500
apnea	33100
can't sleep	27100
sleeping	27100
snoring	22200
sleep disorders	22200
natural sleep aids	18100
no sleep	18100
sleep apnea symptoms	14800
sleep study	14800
sleep mask	14800



Search Term	Frequency
melatonin	99.48
melatonin 10mg	97.60
sleep aid	95.52
melatonin 5mg	95.19
zzzquil	94.51
melatonin 3mg	93.46
unisom	91.99
melatonin gummies	90.77
sleeping pills	90.26
advil pm	88.94
natural sleep aid	84.61
melatonin 1 mg	84.09
calms forte	75.46
liquid melatonin	67.69
sleep	66.37



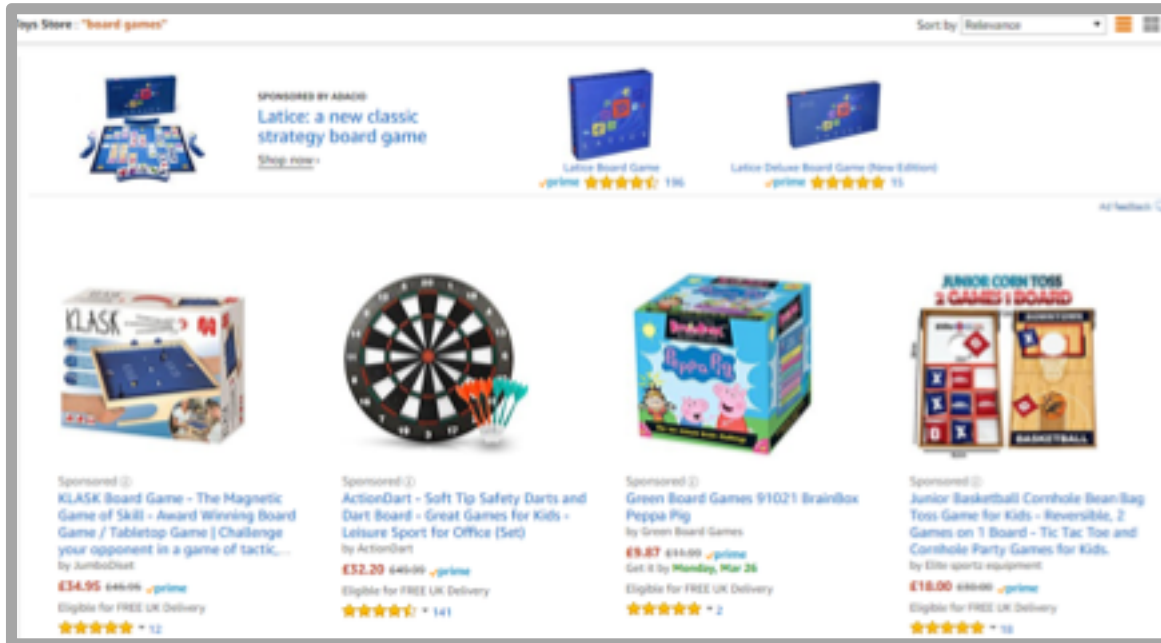
gave us this information and allows us to use it. Copyright 2018

Oct 2015 sleep searches. Sources: Google Keyword Planner and Amazon Internal data

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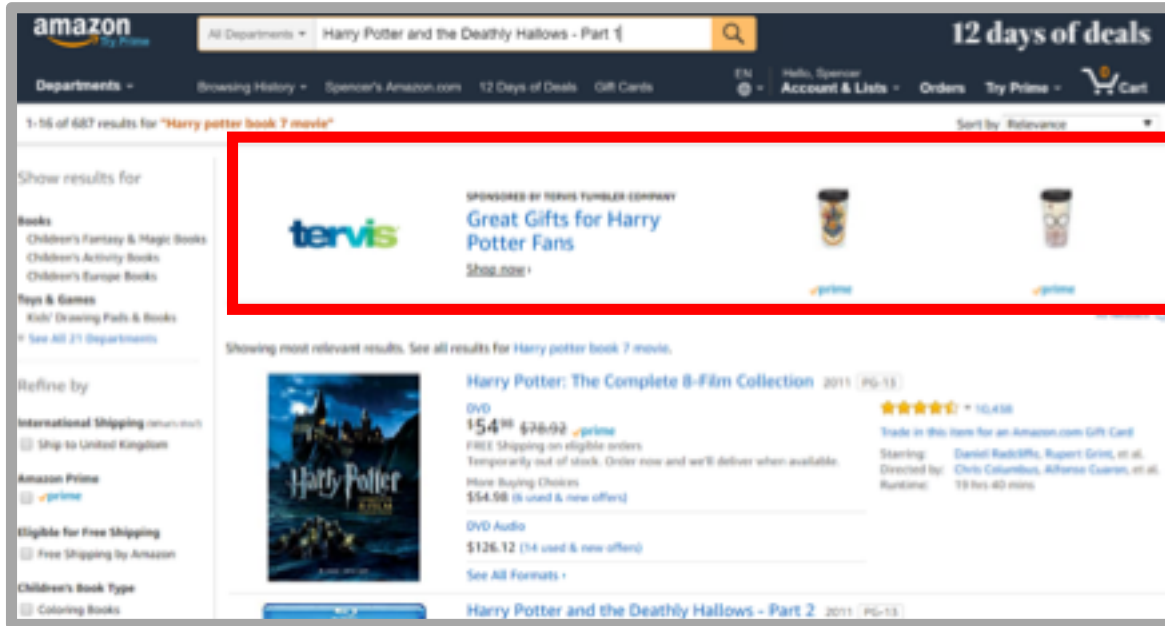
Digital Native Brands **capture key terms**



SEARCH TERM:

board games

Digital Native Brands **extend their reach**



SEARCH TERM:

Harry Potter
and the
Deathly
Hallows...

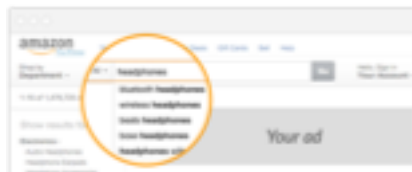
Test and learn with Traffic



amazon.com
Lightning Deals

Save 10% with coupon

amazonmarketingservices



You're testing different promotion & marketing tactics and want to know what works

Traffic *



Did people come to your page but didn't buy?

If so, you have **effective marketing** (SEO, AMS, Promos, etc)

but


conversion needs work (out of stock, price, images, etc)


Digitally Native Companies:


1. Focus on **data and eCommerce** capabilities
2. **Age and Add ASINs** (but don't delete)
3. **Dominate search** to drive traffic
4. **Use on page content to convert**


Digital Native brands get reviews before launch


New Releases in Beauty & Personal Care


- 

1. **Wonderfirm Neck Firming and Lifting Cream**
★★★★★ 305
\$25.95 ✓prime
- 

2. **Gemmaz Activated Charcoal Teeth Whitening Powder**
★★★★★ 204
\$12.99 ✓prime
- 

3. **Retinol + Complete Anti-Aging Facial Moisturizer**
★★★★★ 312
\$23.95 ✓prime
- 

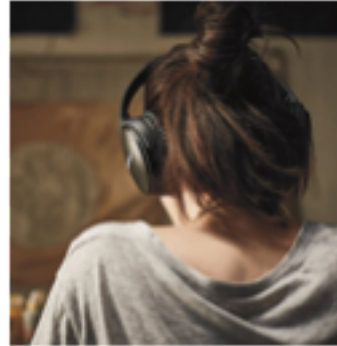
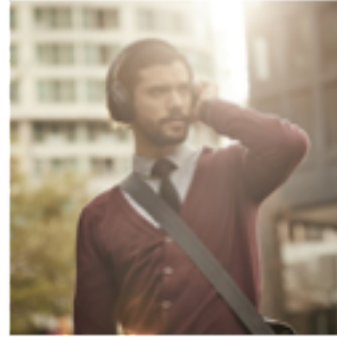
4. **Wax Warmer - Bouvetan Waxing Hair Removal**
★★★★★ 236
\$33.99 ✓prime
- 

5. **Hair Growth Stimulating Conditioner (Unisex)**
★★★★★ 522
\$27.95 ✓prime
- 

6. **Radha Beauty Aromatherapy 18...**
★★★★☆ 1,872
\$29.95 ✓prime

All these
new releases
have
>200
reviews at
launch!

Images: Bose headphones



What images do I have from the brand I can put on my detail page?

***Built in assumption:**
Online is an after thought.*

<https://www.amazon.com/dp/B0756CYVWD>

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Images: MPOW headphones



What are the best images to showcase my product?

*Built in assumption:
Online IS my store
and my packaging.*

*Of course I design for
that.*

<https://www.amazon.com/dp/B01NAJGGA2>

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Conversion: How do I use it? (Updated images example)

**You're testing updated content
to improve Detail Page conversion**

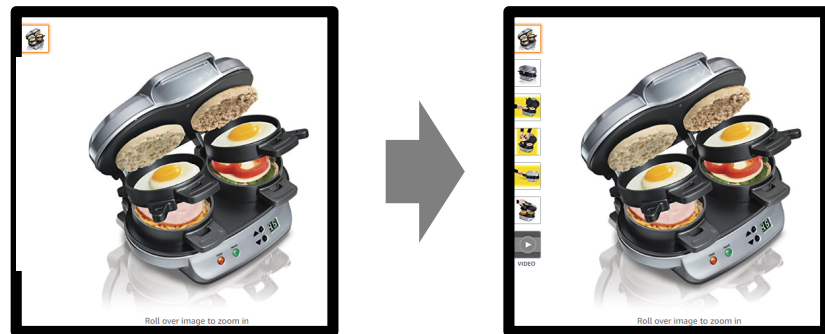
Sales doesn't tell your story.
Conversion does.

Why?

On page content helps convert once the customer is already on the page. If you test using sales, you don't account for increases or decreases in traffic to the page.

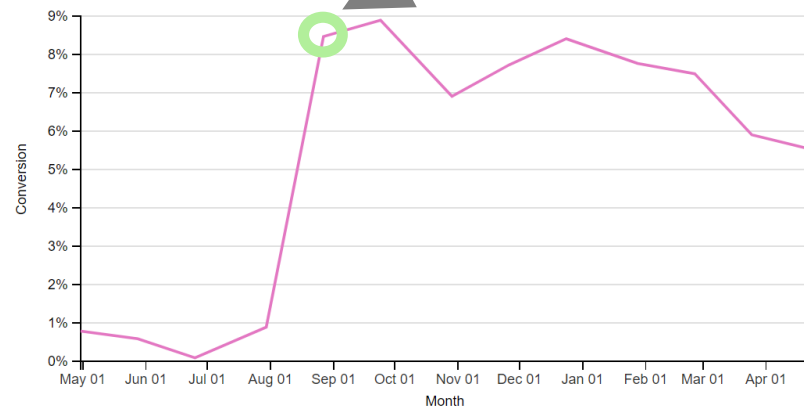
Also use conversion as a test for:

- A+ content
- Out-of-Stock
- Price
- Images
- etc



Conversion *

Updated from 1 image
to 6 images and 1 video



Summary: Digitally Native Companies...

1. Focus on **data and eCommerce** capabilities
2. **Age and Add ASINs** (but don't delete)
3. **Dominate search** to drive traffic
4. Use **on page content** to convert

Contact info

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