



Amazon Fresh – Cartograph capabilities overview



Overview

Amazon Fresh is Amazon's vertically integrated grocery delivery platform. It operates out of Amazon owned and operated warehouses primarily in major metropolitan areas. They support same-day delivery including perishable and temp-controlled grocery items. It is distinct from Whole Foods and Amazon.com in both supply chain and front-end experience.

On the user side, it is only available to Amazon Prime users. Further these Prime users must live within a zip code that allows Fresh delivery, known as "geotagging." When the customer places their Fresh order, they will select a delivery timeframe. The use of Amazon Fresh can be compared to Instacart or Whole Foods Market orders in that the process and accessibility mimic the habit of grocery shopping.

Why work with Cartograph?

Cartograph manages the full platform of Fresh end-to-end and has a proven track record of driving significant and category-leading growth in grocery.

We delivered **significant growth for our clients in 2021, growing ordered revenue by 40–50% vs. 2020.** We believe there is a unique opportunity to drive outsize return and capture very sticky market share in this market while there are relatively few sophisticated and aggressive players on the platform.

Furthermore, Amazon Fresh has captured a significant and outsize share of online Grocery growth on Amazon since the start of 2020. The platform is being scaled rapidly and quickly, and there is a unique opportunity to grab market share.

Please contact us to learn more about our pricing and engagement model for the channel. We structure engagements similar to Amazon.com engagements, which is full service, with fees as a % of sales, where our incentives are directly aligned with your success. We frequently bundle management of the different platforms into a single agreement.

Some of our capabilities include:

- Develop full content upgrade recommendations on Amazon Fresh listings including images, bullets, descriptions, and A+ content
- Manage Full Funnel Advertising on the Amazon Fresh platform (PPC and DSP)

- Strategize with the Account Executive to build out a customized landing page
 - Aggregate traffic and revenue data to optimize overall strategy and drive shipped cogs growth
 - Implement merchandising and retail approach by executing coupons and promotions
 - Leverage Brand Registry access to maintain brand voice and presence on Amazon Fresh
 - Coordinate with the Vendor Manager on Reset Window Recommendation submissions
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How it Works

With the brand's catalog listed on the Vendor Central platform, Amazon Fresh orders the products (at the discretion of the vendor manager) through a distributor, who has purchased the products from the manufacturer (in most cases, the brand).

Strategy Components

Tracking Revenue

- Shipped COGS (from which Cartograph charges commission) – includes the cost at which Amazon purchased the product from the distributor
 - *Unknowns*: the distributor's markup after purchasing from the manufacturer
- Ordered Revenue– includes the cost at which Amazon purchased the product from the distributor as well as the upcharge Amazon charges the customer to obtain margin
 - *Unknowns*: the distributor's markup after purchasing from the manufacturer

Amazon Fresh Contacts

- We have multiple relationships with Amazon Fresh Vendor Managers as well as Amazon Fresh Advertising executives

Content

- Content updates are performed like any other Vendor Central account
- Accessible forms: assets, copy, brand video
- Product listings tend to be less optimized vs. average Amazon.com listings

Operations

- Purchase Orders are generally not received (with some exceptions for very large brands who have a direct relationship with Amazon)
- Amazon purchases the product from the brand's distributor and fulfills Fresh orders via a separate, Amazon Fresh warehouse (different from FBA fulfillment centers)

Pricing

- Cost price listed in Vendor Central may not capture the price at which Amazon purchases the products from the distributor.
 - Note that it can be important to be careful that coop agreements in Vendor Central (which can be required with certain sources, i.e., UNFI) are not set at unsustainable rates
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Advertising

- Sponsored Product Advertising
 - Currently, WFM is running SP advertising, thus attributed sales captured by Fresh ASINs are directly from Fresh ads
- Sponsored Brands – coming Q1 2022
- Demand-Side Platform (DSP) Advertising
 - Can pursue advertising coupons that run on Fresh ASINs
- Upcoming
 - Sponsored Display Advertising (approx. 2022)

Promotions

- Coupons – Most economical lever, merchandised on search with green badging
 - All coupons appear in the “Deals” tab within Fresh

Unique Procedures

Vendor Selection Recommendations for Reset Windows

What is it?

- A reset window is an open opportunity for the brand to appeal to the account’s vendor managers to order more ASINs via distributor to be sold at Amazon Fresh’s online and brick & mortar locations.
- There are at least 2 reset windows per year (one beginning in February and another in October)
- Planning for the reset windows occurs the year prior

How Does It Work?

- Vendor Manager provides excel file for BM to list all ASINs to add/ cut from the reset window recommendations (Note: Active ASINs that will remain active do not need to be added to the file)
 - Note these instructions: To increase our opportunity to slot your recommended additions, please aim to submit an **equal number of addition and cut/discontinuation recommendations.**
- Vendor Manager provides deadline for the deliverable and their decision regarding the file

Other Requirements

- The vendor manager will request “**supplemental data** to support recommended additions/innovation (e.g. new product deck, Nielsen performance or market segment data, brand insights).”
- ASINs must be set up to be added to the recommendations

FAQ on Vendor Selection and launching new products in Fresh:

1. What if I can’t submit items/ASINs to meet my category’s deadline but I still have items that I would like to recommend?

You can still submit these items for consideration but there will be very limited opportunity for us to add them outside of the reset process, especially in Fresh Physical Stores.

2. What if I have new innovation launching before my reset date?

Submit these items with the "first_ship_date" field in the template aligned to that date you would like to launch. Please note that this does not guarantee that we will be able to meet your requested ship date.

3. What happens if certain recommendations will not be available until after our dates in the first reset window?

You can include these items when we collect recommendations for the second reset window of 2022, which will be in October of 2021.

4. What about seasonal assortment?

Please make sure that you flag the item as seasonal and provide both a first_ship_date and last_ship_date in the template.

Chris Moe and Jonathan Willbanks
Co-founders, Cartograph

We'd love to hear from you! If you'd like more information, please reach out at contact@gocartograph.com.

ABOUT CARTOGRAPH

Cartograph is an eCommerce focused agency that helps food brands sell their products on Amazon. Their mission is to help brands grow products that are better for people and the planet. They support brands with strategy, pricing, SEO, advertising, and operations and logistics. Cartograph is based in Austin, TX.