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2021 Amazon Thoughts & Prime Day Recap

By: Chris Moe and Jonathan Willbanks

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Prior observations can be found here: <https://www.gocartograph.com/blog>

Hi Everyone,

It's us again with a mid-year Amazon update - hope you're having a great summer!

2021 has been an interesting year on Amazon. Supply chain challenges have remained front and center, just like 2020, and this year at times has felt soft versus some of the pandemic highs. That said, with the exception of March and April, most of our clients are seeing strong PoP growth for the months in 2021.

We continue to grow as an organization along with Amazon's rapidly expanding CPG market. We're particularly excited to be supporting multiple brands in Fresh and Whole Foods, as Amazon enters the world of same-day and temp controlled grocery delivery. We've also built a knowledge function which helps us consolidate and share some of the best insights from our work. We'll be sharing these more often in our newsletters and other channels, including our Slack channel.

We're always looking to partner with great brands looking to make a strong play in eCommerce. Thanks for your support and introductions to brands that you work with.

Looking forward to seeing you in person at some conferences this fall!

Regards,
Chris Moe & Jonathan Willbanks
Co-Founders, Cartograph

We have opened an **Amazon Hotline Slack channel** for all your Amazon questions and to

PRIME DAY RESULTS

ROI on Prime Day deals seen in week following: In the week after Prime Day, our brands who ran any type of Prime Deal saw a **36% sales lift** and a **77% session lift (traffic)**, compared to averages of their last 6 weeks. This reflected an improvement by **25-30% in Sales Rank**.

Prime Exclusive Discount Coupons (merchandised in baby blue) had the largest impact: **3-5x average sales lift on the sales day**, and **90% sales lift the week after Prime Day**. This significantly outperformed normal coupons and lightning deals during Prime Day.

We continue to believe that running Prime Day deals in Grocery and CPG is very strategically important. Not only do you get the ROI of "week following halo effect", but there's a large opportunity cost in not participating in lost sales rank and momentum.

CARTOGRAPH - 2021 PRIME DAY RESULTS

**Note - all integers are multiples vs. average day, or average week. So 2.37 = 237% of average, or 137% lift*

	Count of clients	PD 1 sales lift	PD 2 sales lift	Sales week after lift	Sessions week after lift	Salesrank increase	BSR increase
Total Lift	18	2.37	2.21	1.36	1.77	27.5%	30.9%
PED Coupon	5	3.54	4.10	1.90	2.61	37.3%	37.2%
Normal Coupon	6	2.30	1.35	1.00	1.17	38.0%	35.1%
Normal Coupon, Lightning Deal	5	1.78	1.62	1.12	1.44	14.6%	28.0%

WHAT WE ARE SEEING ON AMAZON

JUNE PO GLOOM, NEW BOSS IN TOWN || Vendor Central brands saw significantly smaller POs in the last 6 weeks, sometimes resulting in best sellers going out of stock. We see some recovery in FLO POs (POs placed in the future) for next month. Seller Central has seen rapidly changing inventory restock limits and systems.

Our theory is that both this and pulling Prime Day into June may have been Jeff Bezos legacy shaping to finish a strong Q2. While these changes may have been on the roadmap, this could still help Q2 earnings.

BIDS RISING IN RESPONSE TO PRIVACY || Many advertisers who used user-based targeting on Facebook and similar channels have seen significant decreases in performance in the wake of the iOS privacy changes. As a result, we're hearing of budgets being shifted to other channels including Amazon, and for competitive categories, we're seeing bids getting much higher.

REPLY TO REVIEWS || Amazon now offers you to reach out directly to buyers who left a 1-3 star review (bad). The messages are template only, and there are two types: Courtesy Refund (offer a full refund or a replacement item) and Customer Review (ask for a reply & offer to address any issues or concerns listed the review). A bonus: the Order ID number can be found in the subject line, allowing you to back-trace issues to the exact order.

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We recommend monitoring your spend, particularly on category search, to make sure it doesn't change too dramatically. Saturating newer and less used inventory, such as SD and SB Video, and doing experimentation with cross-selling and conquering with DSP, all remain as important as ever.

Responding to negative reviews is a huge opportunity. We estimate that the cost of each 1 star review is over \$1000, so any chance to alter those is well worth the time.

OUR FUTURE OUTLOOK

It feels like we've been saying this for a year - but it's important to have a supply chain ready to adjust to Amazon inventory changes and big purchase orders. We suspect there may be a second Prime Day in the fall, so will be important to have inventory ready for Q4 in just a couple of months.

As always, please reach out if you have any Amazon questions or puzzles we can help solve.

Cartograph Leadership Team

Chris Moe and Jonathan Willbanks
Co-founders, Cartograph

We'd love to hear from you! If you'd like more information, you can find us at contact@gocartograph.com.

ABOUT CARTOGRAPH

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

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