

The logo for TOTODATA, where each letter is composed of horizontal stripes in shades of red, orange, and yellow.

MORE POWER TO YOU



Amazon's Advance

How The Online Retailer Is Becoming A Brand
Category Leader

September 2015 – August 2016



EXECUTIVE SUMMARY

For nearly two decades, Amazon has been a reliable source for online shoppers looking for excellent deals and great service. Considering that they own most of the online market's "shelf space," Amazon is leveraging that space to gain market share for their own private-label brand. With product lines like AmazonBasics and Amazon Elements, Amazon is entering several categories where they already dominate as a retailer and competing with household brands to be the category leader.

Amazon now sells its own products in more than a dozen categories ranging from home goods to pet supplies to computer accessories. Using consumer spending data representing millions of consumers, the 1010data Market Insights team analyzed sales trends from September 2015 to August 2016 for two key online categories -- speakers and baby wipes -- where Amazon already has an advantage over category leaders.

WAR OF THE WIPES

Although Amazon Elements baby wipes are exclusive to Prime members, it is the third biggest brand based on online sales. Customers who view Amazon's baby wipes online are three times as likely to purchase than the category average. Additionally, Amazon's baby wipes sales are growing aggressively, with 266% YOY growth.

SIEGE OF SPEAKERS

Amazon.com accounts for 89% of speaker sales in the \$1 billion online industry, and since introducing their own speaker products, Amazon has taken 45% of market share amongst the top 10 brands. As the Echo's popularity pays off for Amazon, the company continues to introduce different speaker products to further compete in this space.

As Amazon continues to expand its private-label into new categories, industry leaders will face similar challenges that players in batteries, baby wipes, and speakers are already experiencing. Brands who used to view Amazon as just an online channel need to acknowledge the company as a direct competitor going forward.



The Siege of Speakers

ONLINE MARKET SEPTEMBER 2015 - AUGUST 2016

Amazon owns most of the online market's "shelf space" and is leveraging this in an attempt to gain market share for its own branded products. In this four-part series, we dive into the three categories where Amazon products are booming. Here's a look into the online speaker category and the role that Amazon's line of Echo speakers plays within it.

Market Insights Series: Amazon's Advance

\$1B

Estimated Online Speakers Market Size



89%

of speakers sold online are sold through Amazon.com

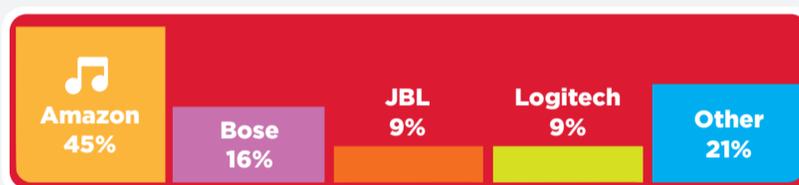
Amazon.com encompasses Amazon Marketplace, Direct and Subscription sites



66%

of online speaker purchases are made by men

Online Market Share Among Top 10 Speaker Brands



1/2

In just 2 years, the Amazon Echo accounts for **almost half** of online speaker sales



MOST POPULAR ITEM IN ONLINE SPEAKER CATEGORY

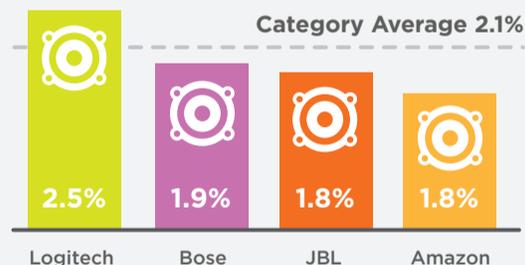
Amazon Echo



67%

YOY Growth for Amazon Speaker Sales (August '15 - August '16)

It's Not Just Conversion Rates*



Despite a below-average conversion rate, Amazon has the **HIGHEST PROPORTION OF PRODUCT VIEWS** for speakers sold online

* Conversion Rate is calculated as Units Sold divided by Product Views across all online retailers



The War of the Wipes

ONLINE MARKET SEPTEMBER 2015 - AUGUST 2016



Amazon owns most of the online market's "shelf space" and is leveraging this in an attempt to gain market share for its own branded products. In this four-part series, we dive into the three categories where Amazon products are booming. Here's a look into the online baby wipes category and the role that Amazon's baby wipes brand, Amazon Elements, plays within it.

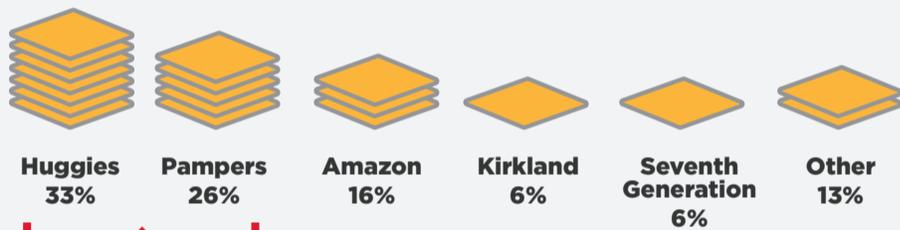
Market Insights Series: Amazon's Advance

\$60M

Estimated Online Baby Wipes Market Size



Online Market Share Among Top 10 Baby Wipe Brands

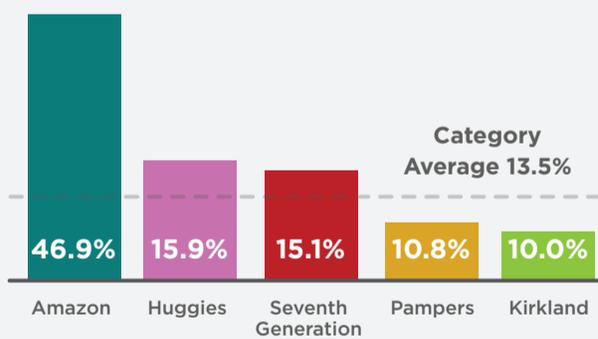


60%

Household names like Huggies and Pampers still own 60% of the online baby wipes market



CONVERSION RATES*



CONSUMERS ARE

3X

MORE LIKELY to purchase Amazon baby wipes after viewing them online than the category average

* Conversion Rate is calculated as Units Sold divided by Product Views across all online retailers