



Numerator

NEW FRONTIERS

Amazon Subscribe & Save

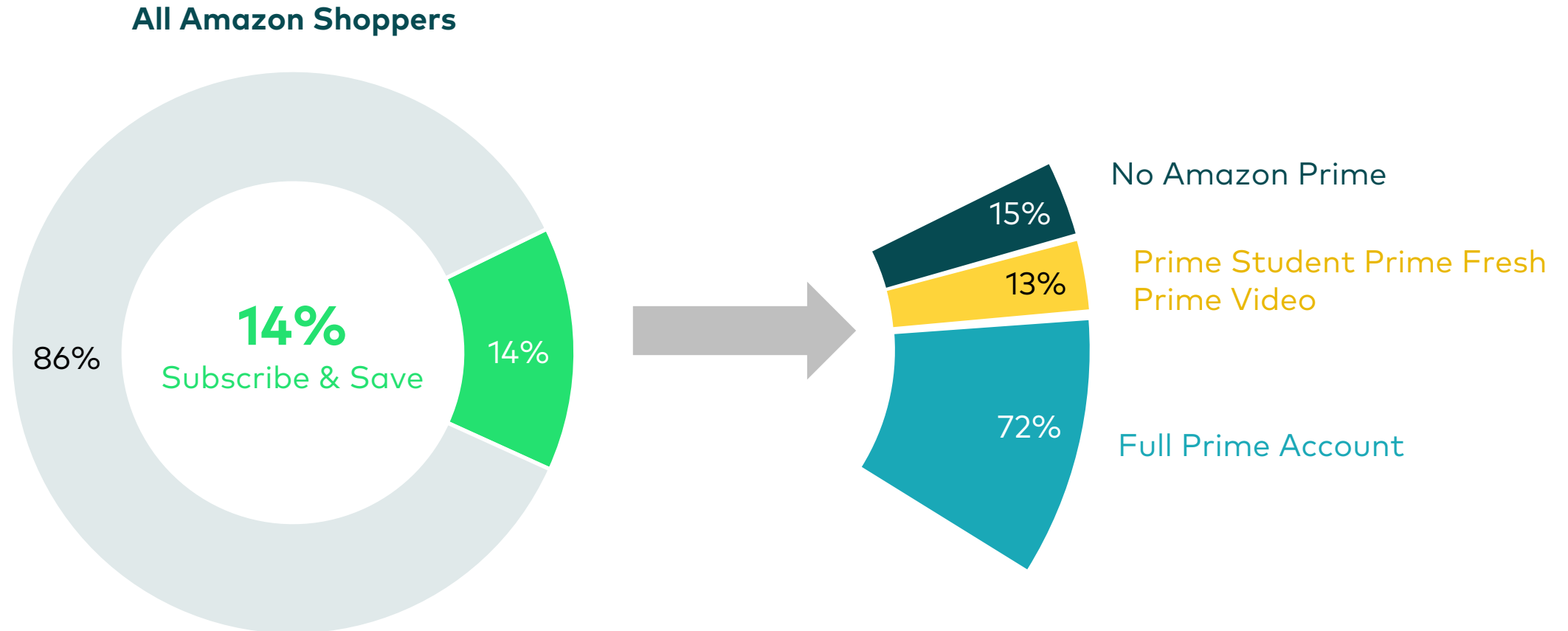
Agenda

- Who are Amazon Subscribe & Save shoppers?
- What categories are shoppers purchasing on Subscribe & Save?
- How do shoppers purchase on Subscribe & Save?
- What are the drivers and barriers for Subscribe & Save?
- How does Subscribe & Save affect retailers?



Who are Amazon Subscribe & Save shoppers?

14% of Amazon Shoppers Use Subscribe & Save



S&S Users Are More Valuable Than the Average Amazon Shopper

% HH, Index vs.
All US Households



ALL AMAZON



PRIME



SUBSCRIBE & SAVE



AGE

45-54

21.2%, 105 index

45-54

23.3%, 116 index

35-44

25.5%, 137 index



INCOME

Over \$125k

16.4%, 106 index

Over \$125k

21.7%, 139 index

Over \$125k

25.2%, 162 index



HH SIZE

2 Persons

33.1%, 101 index

2 Persons

35.0%, 102 index

3 Persons

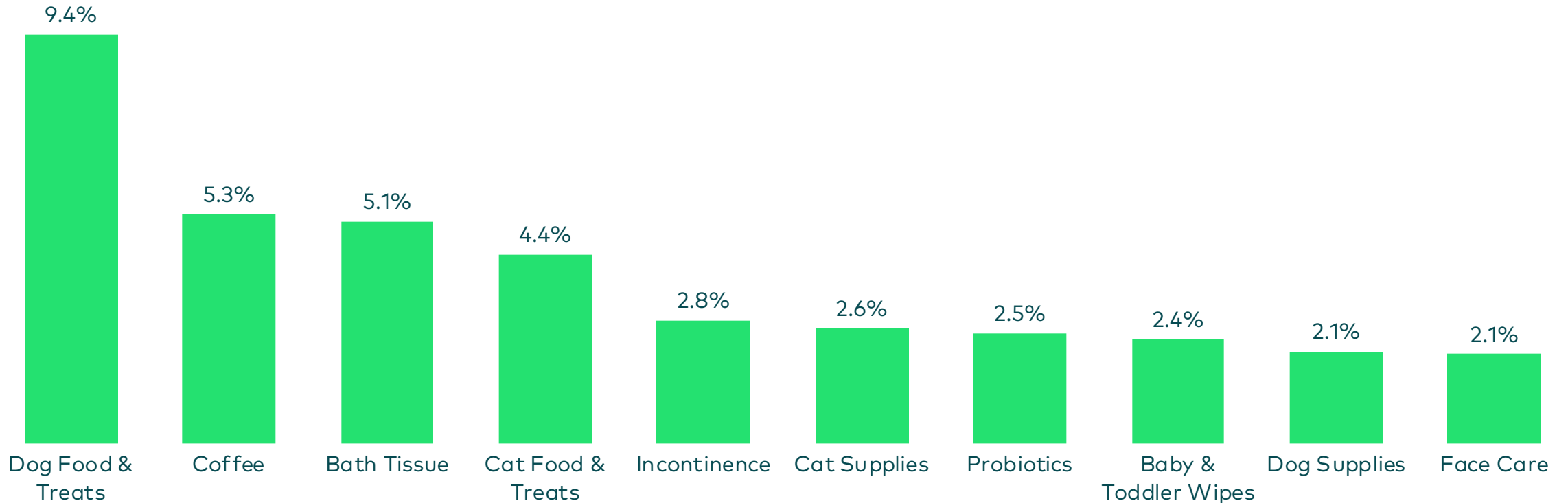
18.9%, 112 index

What categories are shoppers purchasing using Amazon Subscribe & Save?

Shoppers Entered Subscribe & Save Mainly through Pet

First Category Purchased by New Subscribe & Save Shoppers

% of Households, Last 6 Months

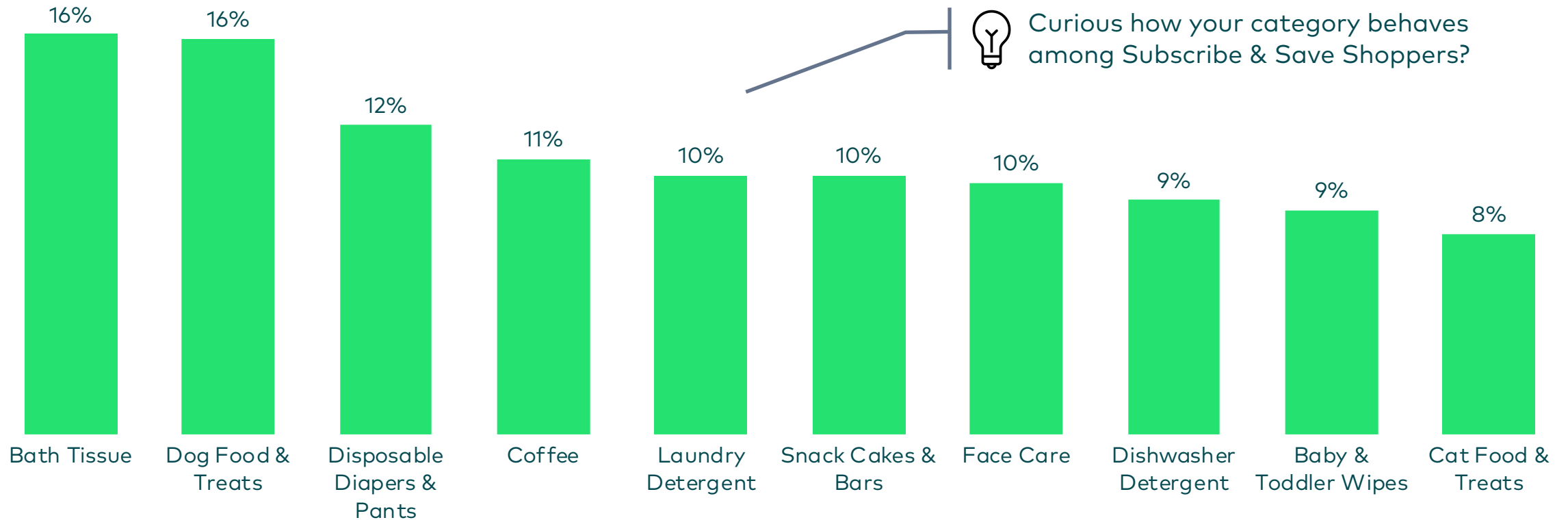


Numerator Insights; 03/1/2017- 02/28/2018; New Subscribe & Save Shoppers in the recent 6 months: 997 with qualified first purchases

Bath Tissue, Dog Food, Diapers: The Most Popular Categories

Categories Purchased by Total Subscribe & Save Shoppers

% of Households, Last 12 Months



How do shoppers purchase
on Subscribe & Save?

Subscribe & Save Usually Leads to Higher Spend per Trip

Top Categories by Item Dollars per Trip

Subscribe & Save vs. Amazon (excl. S&S) vs. FMCG + Specialty, Last 52 Weeks

■ Subscribe & Save ■ Amazon ■ FMCG + Specialty

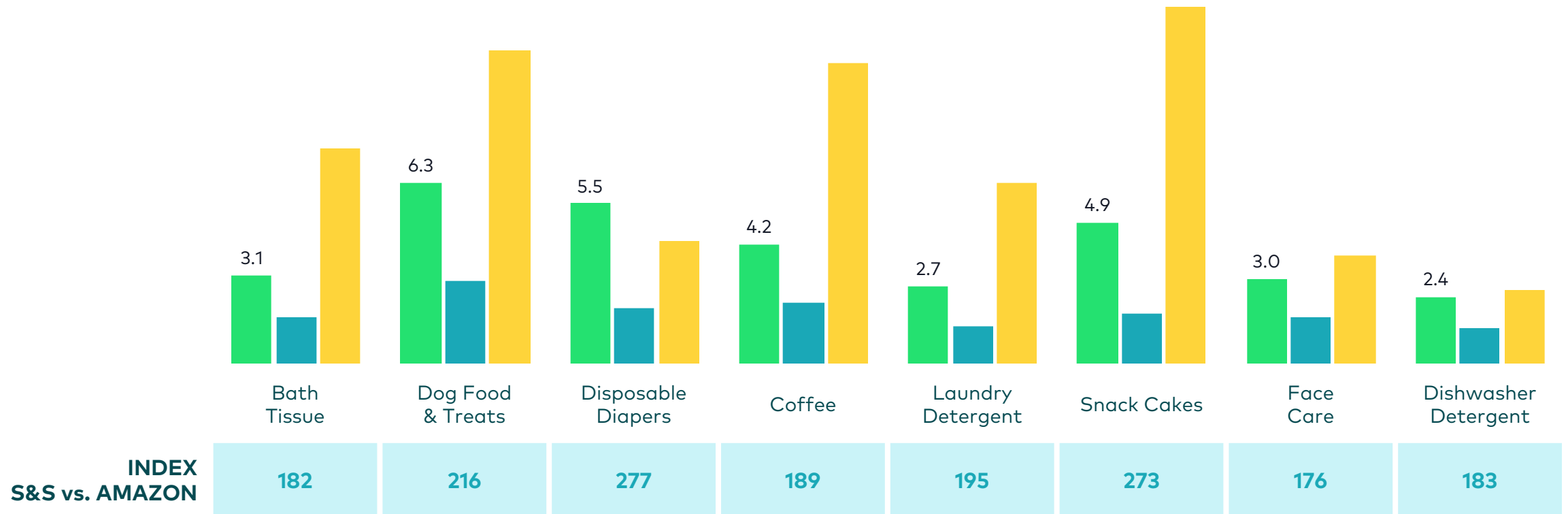


S&S Shoppers Buy More Often than Average Amazon Shoppers

Top Categories by Trip Frequency

Subscribe & Save vs. Amazon (excl. S&S) vs. FMCG + Specialty, Last 52 Weeks

■ Subscribe & Save ■ Amazon ■ FMCG + Specialty

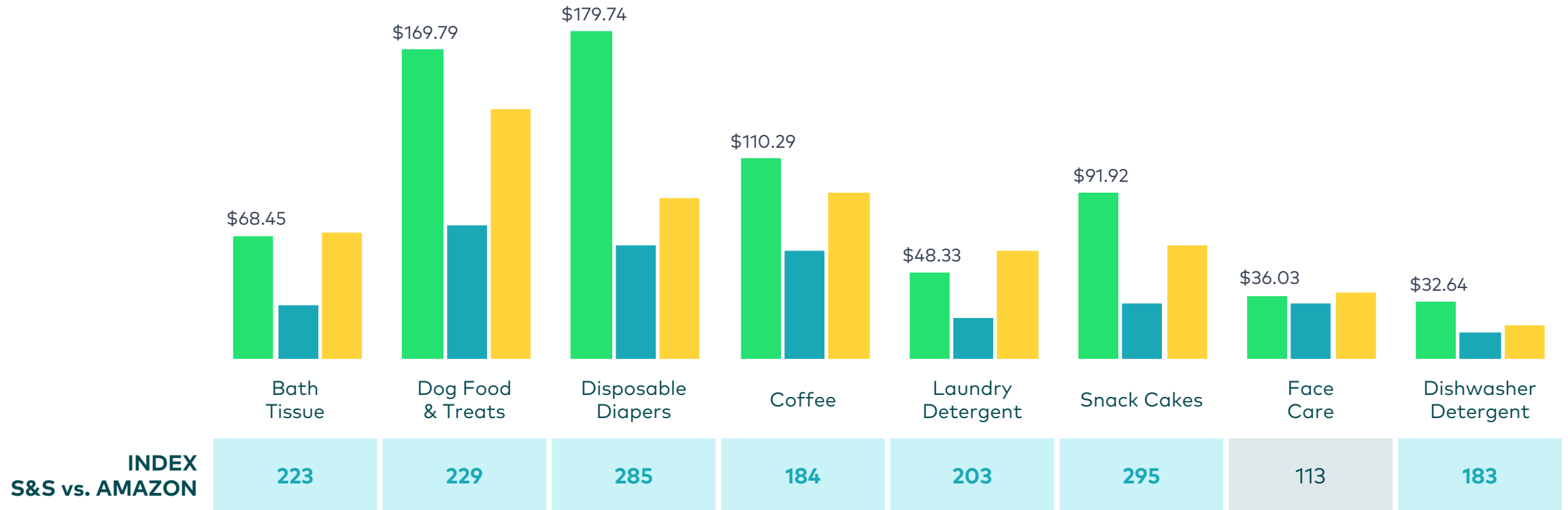


The Most Valuable Shoppers in a Category Use Subscribe & Save

Top Categories by Buy Rate

Subscribe & Save vs. Amazon (excl. S&S) vs. FMCG + Specialty, Last 52 Weeks

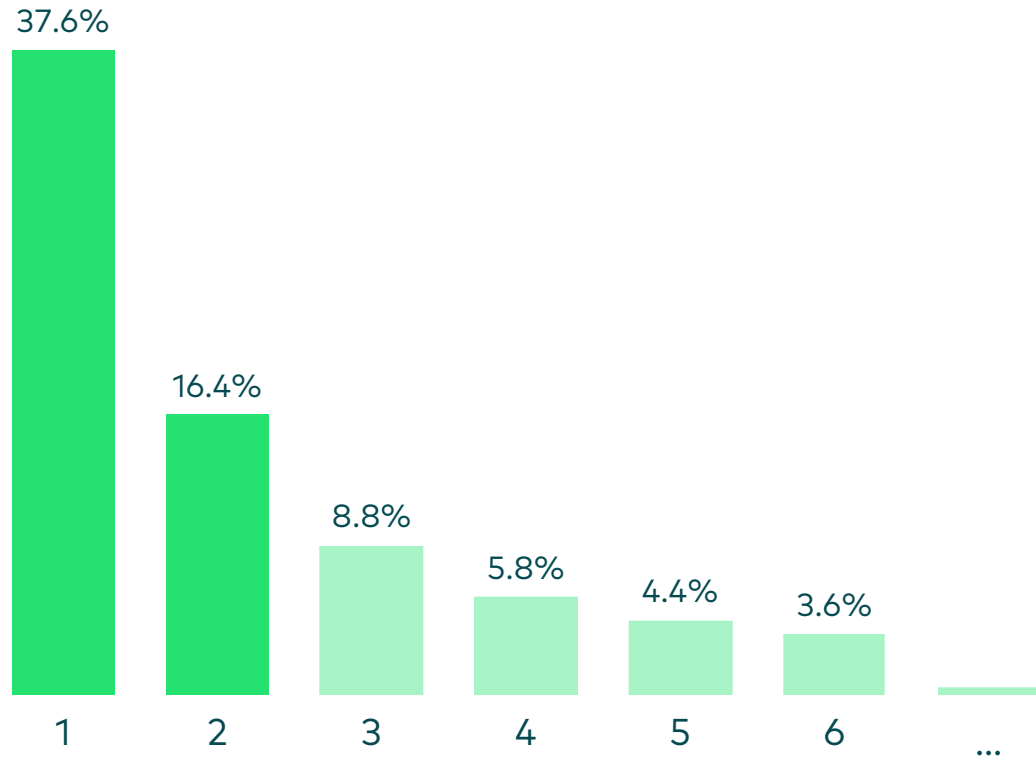
■ Subscribe & Save ■ Amazon ■ FMCG + Specialty



Shoppers Are Brand Loyal When Using Subscribe & Save

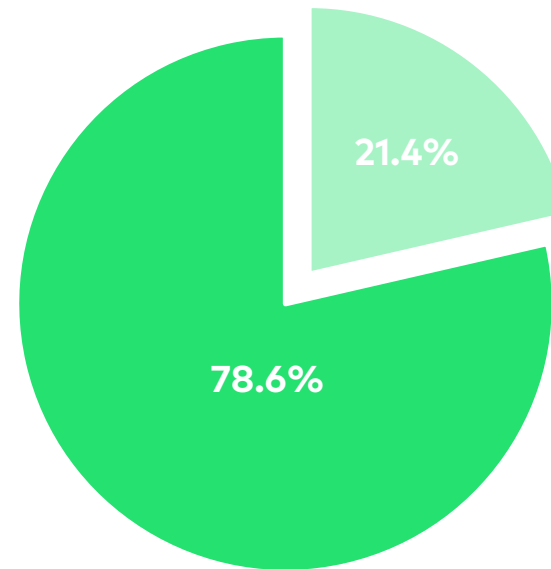
Number of Categories Subscribed-To

% of Households, Last 52 Weeks



Number of Brands Subscribed-To

% of Households, Last 52 Weeks

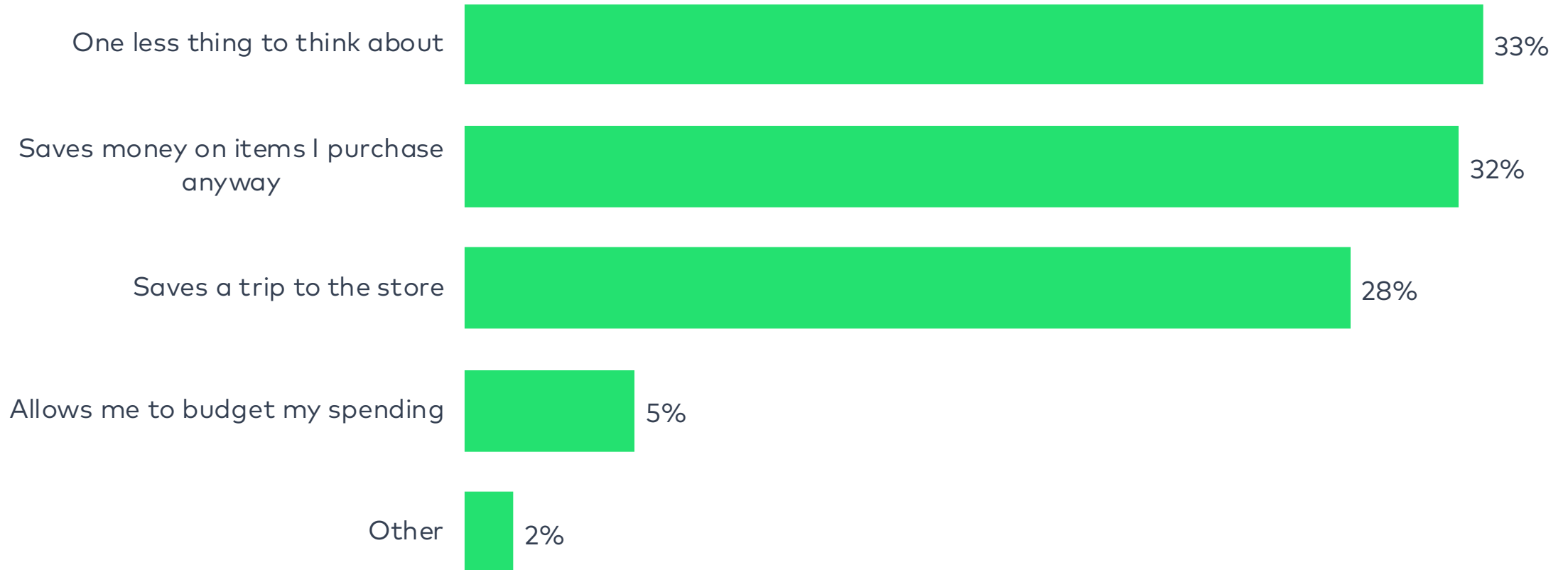


What are the drivers and barriers
for Subscribe & Save Shoppers?

Shoppers Use Subscribe & Save for Convenience

What is the biggest advantage of using Amazon Subscribe & Save?

% of Shoppers Responding



What Do You Like About The Subscribe & Save Experience?

CONVENIENCE

- ““ It's simple and you don't have to remember to continually buy the product.
- ““ I don't have to worry about going to the store each month to pick up items. I can set up auto order and it gets sent on my schedule.
- ““ You don't have to remember to order before you run out, it just magically appears.
- ““ Trips to the grocery store are shorter with buying staple house hold items online that are delivered.

PRICE

- ““ You can usually get the item cheaper than the store as long as you don't need it right away.
- ““ It's fast and easy. I save an additional 5% on my items by using this service and I don't have to remember to purchase the items again.
- ““ Things are a good price and like having it delivered to the house, very convenient and price is better then getting in car and driving and picking it up

What Do You Dislike About Amazon Subscribe & Save?

PRICE FLUCTUATION

- “ I don't like how the prices fluctuate.
- “ That the prices change that you have to pay attention to it or the price may go up on an item and you won't know until it's actually time to ship it to you so I have to check it as soon as they notify my shipment is being prepared so that I don't overpay.
- “ Some prices are higher than in-store. Can't use coupons. Some items not available to subscribe to. Items I subscribe to are sometimes out of stock on next delivery date.

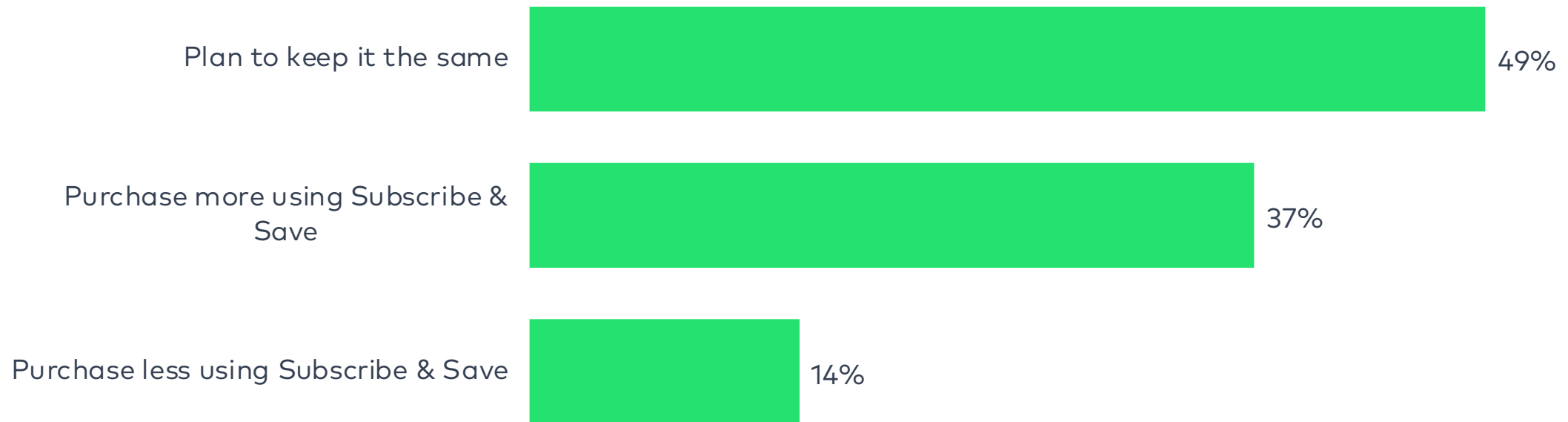
NOT ENOUGH FLEXIBILITY

- “ You might forget about it and not need the item anymore.
- “ Having too many or not enough diapers if my kids use more than normal or less than normal.
- “ I need more choices of time intervals for delivery. For example; Pet Food, my pets don't eat all the food I ordered in the time interval. I have to cancel orders.

S&S is Growing: Shoppers Plan to Keep it, or Use it More

How will you change usage of Subscribe & Save over the next year?

% of Shoppers Responding



How does Subscribe & Save
affect Retailers?

Pet, Mass, and Club Channels: All Affected by Subscribe & Save

% Change in Share of Wallet, Key Channels

All Categories, Subscribe & Save Shoppers who joined in the recent 6 months

	PET	BABY	FOOD	HOUSEHOLD
CATEGORIES	<ul style="list-style-type: none"> • Dog Food & Treats • Dog Supplies • Cat Food & Treats • Cat Supplies 	<ul style="list-style-type: none"> • Disposable Diapers • Baby & Toddler Wipes 	<ul style="list-style-type: none"> • Coffee • Snack Cakes & Bars 	<ul style="list-style-type: none"> • Bath Tissue • Dishwasher Detergent • Laundry Detergent
CHANNELS with Biggest Loss in Share of Wallet	Specialty Pet -4.0%	Mass -7.1%	Club -1.2%	Mass -4.7%

Target Affected Most by Amazon Subscribe & Save Shoppers

% Change in Share of Wallet, Key Retailers

All Categories, Subscribe & Save Shoppers who joined in the recent 6 months

	PET	BABY	FOOD	HOUSEHOLD
CATEGORIES	<ul style="list-style-type: none"> • Dog Food & Treats • Dog Supplies • Cat Food & Treats • Cat Supplies 	<ul style="list-style-type: none"> • Disposable Diapers • Baby & Toddler Wipes 	<ul style="list-style-type: none"> • Coffee • Snack Cakes & Bars 	<ul style="list-style-type: none"> • Bath Tissue • Dishwasher Detergent • Laundry Detergent
RETAILERS with Biggest Loss in Share of Wallet	<p>PetSmart -1.9%</p> <p>Target -1.8%</p>	<p>Target -7.8%</p> <p>CVS -2.3%</p>	<p>Sam's Club -1.3%</p> <p>Target -2.0%</p>	<p>Target -4.1%</p> <p>Costco -2.1%</p>

Key Conclusions

Agenda

- Who are Subscribe & Save shoppers?
 - Amazon Subscribe & Save shoppers are very valuable – the biggest spenders in a category
 - They are likely to be high income, with larger household size
- What categories are purchased on S&S?
 - Shoppers are most likely to enter Subscribe & Save through Pet
 - Once joining Subscribe & Save, shoppers tend to stick to one brand per category – need to be the first brand chosen
- How do shoppers purchase on S&S?
 - Shoppers on Subscribe & Save purchase with higher frequency than regular Amazon shoppers
 - Their Buy Rate can be twice that of a regular Amazon shopper
- How does S&S affect retailers?
 - New to Subscribe & Save shoppers relatively decreased their purchases at Mass, Club and Home Improvement
 - Target was affected most by Subscribe & Save



How can I take action?

Next Steps for Numerator Clients

THE CATEGORY DEEP DIVE

- How does my category perform on Amazon Subscribe & Save?
- How do competing brands in the category perform?

OPPORTUNITY AND CHALLENGE

- How many Amazon users could be converted to a Subscribe & Save subscription?
- How to win their first Subscribe & Save purchases?
- How will Amazon's Private Label brands on Subscribe & Save challenge my brand in the future?

WHY BEHIND THE BUY

- What are the drivers and barriers for shoppers using Amazon Subscribe & Save?
- How likely are shoppers to continue with the service?
- What triggers the all-important First-Brand-Choice?

BRAND LOYALTY

- How long do shoppers stay on Subscribe & Save?
- How loyal are they to my brand?
- Is the loyalty level consistent, both online and offline?

Ask your consultant for the [Amazon Subscribe & Save People Group](#) on the Numerator Insights platform!

How might Amazon Private Label affect my category?

In addition to Diapers, Amazon has launched Private Label offerings in Electronics, Coffee, Snacks, Toilet Paper, Cleaners, etc.

- How does the introduction of Amazon Private Label affect these categories?
- What is the potential threat of Amazon Private Label launching in your categories?
- What your brand can do to prepare for it?

Amazon has launched its own brand of diapers and they're on sale

BY: Sarah Kuta

UPDATED: 5:11 AM, Feb 20, 2018

We were surprised to learn that Amazon [recently launched](#) its own brand of diapers, Mama Bear diapers.

Then, we got excited when we found out that Amazon was offering a coupon good for [20 percent off Mama Bear diapers right now](#).

On top of that, they're offering 20 percent off new Mama Bear organic baby food products, like a box of [apple pear green pea baby food pouches](#).

If you're shopping for diapers, simply click on the size and product that you're interested. Under the item price, you'll see a green bar that says "20% off coupon." If you click that, the discount will be applied to your cart at checkout.

Looking for other ways to save on these diapers? If you choose "Subscribe and Save," you can save 5 percent of 20 percent on your order.

Prime Pantry Subscription, will it create new opportunities?

Half of Subscribe & Save shoppers use the service for 1 or 2 categories. With the new Prime Pantry subscription model, shoppers may shop more categories to fill the Pantry box: Food, Drink, Personal Care, etc.

- How large is the Prime Pantry opportunity?
- How can my brand get into a shopper's subscription box?
- What happens to my brand if a competitor is first-to-market on Prime Pantry Subscribe & Save?

BRIEF

Amazon moves Prime Pantry to subscription model

AUTHOR

Daphne Howland
@daphnehowland

PUBLISHED

March 12, 2018

SHARE IT

Dive Brief:

- Amazon is gradually shifting its U.S. Prime Pantry program for household items to a subscription model, an Amazon spokesperson confirmed to Retail Dive in an email.
- Prime members opting for the program can sign up for a free 30-day trial, after which they will automatically be charged \$4.99/month (on top of their \$99 annual Prime fee) to continue the service (which can be canceled at any time), the spokesperson said. Subscribers receive





Numerator

NEW FRONTIERS

Learn how your shopper's behavior is shifting
hello@numerator.com